IN THE UNITED STATES COURT OF FEDERAL CLAIMS

UNIVERSITY HOSPITALS CLEVELAND MEDICAL CENTER, d/b/a UNIVERSITY HOSPITALS CASE MEDICAL CENTER, f/k/a UNIVERSITY HOSPITALS OF CLEVELAND; And UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.,

Plaintiffs,

v.

No. 10-760 T

THE UNITED STATES OF AMERICA,

Defendant.

COMPLAINT

1. This is a timely action arising under the Internal Revenue laws of the United States for the recovery of Federal Insurance Contributions Act (26 U.S.C. §§ 3101 et seq.) ("FICA") taxes erroneously and illegally assessed against and collected from Plaintiffs and their medical residents and fellows ("Residents") for the second, third and fourth calendar quarters of 2005 and all calendar quarters of 2006.

I. Parties & Jurisdiction

2. Plaintiff University Hospitals Cleveland Medical Center, d/b/a University Hospitals Case Medical Center, f/k/a University Hospitals of Cleveland (hereinafter "UHCMC") is an Ohio nonprofit corporation with its principal place of business in Cleveland, Ohio. The last four digits of Plaintiff UHCMC's employer identification number are 7805. UHCMC is a wholly owned subsidiary of Plaintiff University Hospitals Health System, Inc.

- 3. Plaintiff University Hospitals Health System, Inc., is an Ohio nonprofit corporation with its principal place of business in Cleveland, Ohio. The last four digits of Plaintiff's employer identification number are 4775.
- 4. University Hospitals Health System, Inc. is the parent company of and designated agent of UHCMC for tax collection purposes, pursuant to I.R.C. § 3504 and 26 C.F.R. § 31.3504-1. UHCMC and University Hospitals Health System, Inc. are hereinafter referred to, collectively, as "Plaintiffs."
 - 5. Defendant is the United States of America.
- 6. Jurisdiction is conferred on this Court by 28 U.S.C. § 1491(a) and by § 7422 of the Internal Revenue Code of 1986 (26 U.S.C.) as amended (hereinafter "I.R.C.").

II. Plaintiffs' Medical Residency Programs

- 7. Plaintiffs and their affiliates operate an integrated hospital system with locations in the metropolitan Cleveland, Ohio area.
- 8. Plaintiffs and their affiliates offer residency programs for medical school graduates. Participation in a residency program is required for a medical school graduate to become licensed as a physician. Residents in Plaintiffs' and their affiliates' medical residency programs have patient contact and assume responsibility for patient care, under proper professional supervision, in order to develop skills as part of the Residents' medical education.
- 9. The primary purpose of the residency programs offered by Plaintiffs and their affiliates is educational. These residency programs are accredited through the Accreditation

Council for Graduate Medical Education ("ACGME"), which imposes rigorous and specific educational standards. The medical residents who participate in the UHCMC Residency Programs are "students" who were employed by a "school, college, or university," thus bringing the residents within the exception from tax found in I.R.C. § 3121(b)(10) ("Student Exception).

- 10. Residents receive payments from Plaintiffs and their affiliates during their participation in a residency program.
- 11. On March 2, 2010, in IR-2010-25, the Internal Revenue Service ("IRS") publicly announced that it accepts the position that all medical residents nationwide are exempt from FICA taxes, based on the "student exception" from tax found in I.R.C. § 3121(b)(10), for tax periods before April 1, 2005, when new IRS regulations that contradict that position went into effect. In line with this, the IRS announced on that date that it would issue tax refunds to institutions and residents that have timely claims for refund on file for tax periods before April 1, 2005, provided that institutions made submissions meeting requirements to be formulated and specified by the IRS.

III. Overpayments of FICA Tax

12. Plaintiffs timely filed with the IRS their original Forms 941, "Employer's Quarterly Federal Tax Return," for the second, third and fourth quarters of 2005 and all four quarters of 2006. These quarterly tax periods are referred to hereinafter, collectively, as the "Tax Periods." As the parent company and designated agent for UHCMC and its affiliates, Plaintiff University Hospitals Health System, Inc. filed a comprehensive return Form 941 for Plaintiffs and their affiliates for each of the Tax Periods.

- 13. On these original returns, Plaintiffs reported that payments made to Residents were "wages" subject to FICA taxes under I.R.C. § 3111(a) and (b) and § 3101(a) and (b). Plaintiffs timely paid to the IRS the FICA taxes so reported and shown as due on such returns. Payment of these taxes was erroneous, for the reasons set forth elsewhere in this Complaint.
- 14. On March 22, 2009, Plaintiffs timely filed with the IRS Form 843 "Claim for Refund and Request for Abatement" for the 2005 and 2006 Tax Periods. Subsequently, Plaintiffs timely filed with the IRS Form 941-X, "Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund" for each of the Tax Periods to supplement the Forms 843 filed previously for each quarter. Plaintiffs' claims for refund for the second, third and fourth quarters of 2005 are attached hereto as Exhibit 1. Plaintiffs' claims for refund for all four quarters of 2006 are attached hereto as Exhibit 2. (Employer Identification Numbers have been redacted.)
- 15. The payments to Residents addressed by the claims described above in Paragraph 14 are not remuneration for employment and therefore are not "wages" subject to FICA tax because the services to which those payments related were exempt from FICA by I.R.C. § 3121(b)(10). This Internal Revenue Code provision exempting students from FICA tax is hereinafter referred to as the "Student Exception."
- 16. Upon information and belief, the IRS investigated the claims described above in Paragraph 14, but the IRS has never notified Plaintiffs that it has allowed or disallowed all or part of these claims.
- 17. More than six months have elapsed since the refund claims referenced in Paragraph 14 were filed, and no action has been taken by the IRS thereon. Therefore, the requirements of I.R.C. § 6532(a)(1) have been satisfied.

- 18. The overpayments of FICA tax made to the IRS with respect to payments to Residents caused Plaintiffs and their affiliates and Residents to overpay FICA tax for the Tax Periods, as detailed below.
- 19. Plaintiffs and their affiliates overpaid FICA tax in the following amounts with respect to payments to Residents that were addressed by the claims for refund described above in Paragraph 14:

Tax Period	Plaintiffs' Portion of FICA (see I.R.C. §§ 3111(a) and (b))	Residents' Portion of FICA (see I.R.C. §§ 3101(a) and (b))	Sum of Both Portions of FICA
Second Quarter 2005	\$ 545,798.25	\$ 545,798.25	\$ 1,091,596.50
Third Quarter 2005	\$ 512,061.01	\$ 512,061.01	\$ 1,024,122.02
Fourth Quarter 2005	\$ 598,785.18	\$ 598,785.18	\$ 1,197,570.36
First Quarter 2006	\$ 506,373.52	\$ 506,373.52	\$ 1,012,747.04
Second Quarter 2006	\$ 602,789.57	\$ 602,789.57	\$ 1,205,579.14
Third Quarter 2006	\$ 551,316.43	\$ 551,316.43	\$ 1,102,632.86
Fourth Quarter 2006	\$ 648,782.34	\$ 648,782.34	\$ 1,297,564.68
Overpayment for All Tax Periods ¹	\$ 3,965,906.30	\$ 3,965,906.30	\$ 7,931,812.60

20. Plaintiffs are entitled to recover the entire amount of Plaintiffs' and their affiliates' own portion of the overpaid FICA tax at issue.

These amounts of overpayments are estimated, and Plaintiffs reserve the right to recover the full amount of all overpayments that are proven in these proceedings.

- Plaintiffs also are permitted to recover the Residents' portion of the overpaid FICA tax at issue on behalf of those Residents who consent to that recovery. See I.R.C. §§ 3101(a) and (b). The overpaid FICA tax sought in this Complaint, as detailed above in Paragraph 19, may be reduced by an individual Resident's portion of the FICA tax for each Resident who ultimately does not provide written consent.
- 22. The IRS has not refunded or credited any part of Plaintiffs' portion of the overpaid FICA tax sought by Plaintiffs' claims for refund and by this action.
- 23. Upon information and belief, the IRS has not refunded or credited any part of the Residents' portion of the overpaid FICA tax sought by Plaintiffs' claims for refund and by this action.
- 24. The refund amount in Paragraph 19 does not include interest due to Plaintiffs and the Residents. Plaintiffs and the consenting Residents are entitled to recover interest as provided by law on the overpaid amounts of FICA tax, as well as any interest paid on the overpaid tax.
- 25. Plaintiffs and their affiliates are the sole and absolute owners of the claims respecting Plaintiffs' portion of the overpaid FICA tax at issue and has made no transfer or assignment of those claims.
- 26. Plaintiffs do not own, but are permitted by law to recover, the Residents' portion of the overpaid FICA tax on behalf of those Residents who consent to the recovery.

IV. Invalidity of Amended Regulations

27. On December 21, 2004, the Secretary of the Treasury ("Secretary") adopted amendments to the Treasury Regulations that purport to interpret the Student Exception

("Amended Regulations"). Treas. Reg. § 31.3121(b)(10)-2 (as amended by T.D. 9167, 69 Fed. Reg. 76404 (Dec. 21, 2004)). The Amended Regulations were purportedly promulgated under the general interpretative authority granted by I.R.C. § 7805(a). The Amended Regulations are purportedly effective for services performed on or after April 1, 2005.

- 28. The employers' portion and Residents' portion of the tax that Plaintiffs seek to recover in this action (*see* Paragraphs 14 and 19, *supra*) was paid to, and collected by, Defendant predicated upon the premise that the Amended Regulations were valid -- a premise that is incorrect.
- 29. The Amended Regulations are designed specifically to categorically preclude medical residents, *inter alia*, from being exempt from FICA tax under the Student Exception. The Amended Regulations add conditions to the Student Exception that are inconsistent with the text and plain meaning of the statutory Student Exception.
- 30. The Amended Regulations substantially differ from long-standing prior Treasury Regulations interpreting the Student Exception, which did not categorically exclude services performed by medical residents from coming within the scope of the Student Exception ("Long-Standing Prior Regulations"). Treas. Reg. § 31.3121(b)(10)-2(b), (c) (as promulgated by T.D. 6190, 21 Fed. Reg. 5261 (July 14, 1956); as re-issued by T.D. 6516, 25 Fed. Reg. 13032 (Dec. 20, 1960); 25 Fed. Reg. 14021 (Dec. 31, 1960); as re-issued by T.D. 7373, 40 Fed. Reg. 30958 (July 24, 1975)). The Amended Regulations add new conditions to the Student Exception that are inconsistent with and contrary to the Long-Standing Prior Regulations.
- 31. Congress directly addressed the question whether residents could be categorically excluded from coverage by the Student Exception through, *inter alia*, (i) the text of the Student

Exception and (ii) legislative reenactment of the Student Exception as interpreted by the Long-Standing Prior Regulations.

- 32. The Amended Regulations do not represent a permissible construction of the Student Exception statute because the Amended Regulations do not harmonize with the plain language, origin and purpose of that statute. Nor do the Amended Regulations harmonize with the student exception found in the Social Security Act at 42 U.S.C. § 410(a)(10), a statute that parallels the Student Exception statute. The Amended Regulations do not implement in a reasonable manner Congress' intention as expressed in the Student Exception statute.
- 33. The Amended Regulations were not promulgated contemporaneously with the Student Exception and are contrary to the Long-Standing Prior Regulations, which were promulgated contemporaneously with the Student Exception and which acquired the force of law under the doctrine of legislative reenactment.
- 34. The Amended Regulations are invalid and do not bar Plaintiffs from recovering the tax refund sought in this suit. The FICA tax paid by and collected from Plaintiffs and the Residents under those Amended Regulations, and that is at issue in this suit, was overpaid because of the Student Exception, just as FICA tax paid by and collected from teaching hospitals and residents nationwide is not due because of the Student Exception for periods before April 1, 2005, as acknowledged by the IRS in IR-2010-25.

WHEREFORE, Plaintiffs University Hospitals Cleveland Medical Center, d/b/a University Hospitals Case Medical Center, f/k/a University Hospitals of Cleveland and University Hospitals Health System, Inc. respectfully demand judgment in their favor and against the United States of America:

(a) In the sum of \$ 7,931,812.60 in tax as detailed below, or such greater amount as may have been overpaid:

Tax Period	Plaintiffs' Portion of FICA (see I.R.C. §§ 3111(a) and (b))	Residents' Portion of FICA (see I.R.C. §§ 3101(a) and (b))	Sum of Both Portions of FICA
Second Quarter 2005	\$ 545,798.25	\$ 545,798.25	\$ 1,091,596.50
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Fourth Quarter 2006	\$ 648,782.34	\$ 648,782.34	\$ 1,297,564.68
Overpayment for All Tax Periods ²	\$ 3,965,906.30	\$ 3,965,906.30	\$ 7,931,812.60

- (b) For any interest previously paid to the IRS on the tax set out in paragraph (a), supra;
- (c) For interest as provided by law on the sums awarded under (a) and (b), supra;
- (d) For Plaintiffs' costs and attorneys' fees; and
- (e) For such other and further relief as this Court deems appropriate.

These amounts of overpayments are estimated, and Plaintiffs reserve the right to recover the full amount of all overpayments that are proven in these proceedings.

Dated:

UNIVERSITY HOSPITALS
CLEVELAND MEDICAL CENTER,
d/b/a UNIVERSITY HOSPITALS CASE
MEDICAL CENTER, f/k/a
UNIVERSITY HOSPITALS OF

By:

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Chicago, Illinois 60601
Tel. (312) 456-1040
Facsimile: (312) 456-8435

CLEVELAND; And UNIVERSITY HOSPITALS HEALTH SYSTEM, INC.,

sykest@gtlaw.com Counsel of Record

Respectfully submitted,

James P. Madigan Greenberg Traurig, LLP 77 West Wacker Drive, Suite 3100 Chicago, Illinois 60601 Tel. (312) 476-5007 Facsimile: (312) 899-0380 madiganj@gtlaw.com

Attorneys for Plaintiff

EXHIBIT 1

Case 1:10-cv-00760-FMA Document 1 Filed 11/05/10 Page 12 of 163

(Rev. June 2009)	Department of the Treasury — Internal Revenue Service	OMB No. 1545-0029
(EIN) Employer identification number	7805	Return You Are Correcting Check the type of return you are correcting:
Name (not your trade name) Univ	ersity Hospitals of Cleveland	X 941
Trade name (if any) University	Hospitals Case Medical Center	941-SS
Cleveland City Use this form to correct errors Type or print within the boxes instructions before completing Part 1: Select ONLY or	Suite or room number OHIO State Suite or room number 44106 ZIP code Syou made on Form 941 or 941-SS for one quarter only. You MUST complete all three pages. Read the graphs form. Do not attach this form to Form 941 or 941-SS.	Check the ONE quarter you are correcting: 1: January, February, March 2: April, May, June 3: July. August, September 4: October. November, December Enter the calendar year of the quarter you are correcting:
check this box if you or process to correct the underreported and over less than 0, may only be or Form 944-SS for the X 2. Claim. Check this box claim process to ask for	verreported amounts and you would like to use the adjustment errors. You must check this box if you are correcting both erreported amounts on this form. The amount shown on line 18, if the applied as a credit to your Form 941, Form 941-SS, Form 944, the tax period in which you are filing this form. If you overreported amounts only and you would like to use the or a refund or abatement of the amount shown on line 18. Do not the correcting ANY underreported amounts on this form.	Enter the date you discovered errors: 07/31/2005 (MM / DD / YYYY)
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Statement, as require Note. If you are correcting 4. If you checked line 1 I certify that: a. I repaid or reimbure overcollected social Medicare tax overcollaimed (or the claimed) b. The adjustment of employees or each	iled or will file Forms W-2, Wage and Tax Statement, or Forms W- ed. g underreported amounts only, go to Part 3 on page 2 and skip lines 4. I because you are adjusting overreported amounts, check all that sed each affected employee for the overcollected federal income tax for all security and Medicare tax for current and prior years. For adjustment collected in prior years, I have a written statement from each employee im was rejected) and will not claim a refund or credit for the overcollect social security tax and Medicare tax is for the employer's share only. In employee did not give me a written statement that he or she has not a refund or credit for the overcollection.	and 5. It apply. You must check at least one box. In the current year and the less of employee social security and stating that he or she has not tion. Could not find the affected
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7.	Income tax withheld from wages, tips, and other compensation (from line 3 of Form 941)		-			=		Copy Column 3 here •	
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11.	Tax adjustments (from lines 7a through 7c of Form 941or Form 941-SS)		_] =		Copy Column 3 here *	
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A Form 8275-R disc	closure statement is also attached.		
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ADDENDUM TO FORM 941-X

I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the second calendar quarter of 2005, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the second quarter of 2005. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

CHI99 5229809-3.065977.0017

IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

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All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under U.S. v. Correll, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Form 8275-R

Regulation Disclosure Statement

Use this form only to disclose items or positions that are contrary to Treasury (Rev. August 2008) regulations. For other disclosures, use Form 8275, Disclosure Statement. See separate instructions.

OMB No. 1545-0889

Attachment Sequence No. 92A

Department of the Treasury Internal Revenue Service

► Attach to your tax return.

Identifying number shown on return Name(e) shows on ceture

University Hospitals of	Cleveland					7805
	Information (se	e instructions)				
(a) Regulation Section	(b) Item or Group of Items		(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1 31.3121(b)(10)-2	FICA Wages	Stipends paid to me Social Security or M	dical residents and fellows are not edicare wages	941-X	18	AMOUNT *
2						-
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Part II Detailed	Explanation (s	see instructions)				•
1 * or such greater ar Form 8275-R relate	mount to which ta	expayer is entitled, pluquarter of 2005.	is any interest thereon, plus statutor			led by law. This
2 See attached Adde	ndum to Form 94	11-X for a statement of	of the basis of the instant refund claim	n.		
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	tion About Pas interest holders		To be completed by partners, st	nareholder 	s, ben	eficiaries, or
Complete this part o	nly if you are m	aking adequate disc	losure for a pass-through item.			
Note: A pass-through	i entity is a partn st (REIT), or real	ership, S corporation, estate mortgage inve	estate, trust, regulated investment street conduit (REMIC).	company (F	RIC), re	eal estate
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For Paperwork Reduction Act Notice, see separate instructions. (HTA)

Form 8275-R (Rev. 8-2008)

Form 8275-R (Rev 8-2008)	University Hospitals of Cleveland	7805	Page 4
Part IV	Explanation	s (continued from Parts I and/or II)		
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Form 8275-R (Rev. 8-2008)

ADDENDUM TO FORM 941-X

I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the second calendar quarter of 2005, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively. the "Residents") who were students employed by UHC or an affiliate during the second quarter of 2005. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

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UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

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CHI99 5229809-3.065977 0017

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Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

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Supplemental Form 941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund OMB No. 1545-0029 Department of the Treasury - Internal Revenue Service (Rev. June 2009) Return You Are Correcting ... (EIN) 7805 Employer identification number Check the type of return you are correcting: X 941 Name (not your trade name) University Hospitals of Cleveland 941-SS University Hospitals Case Medical Center Trade name (if any) Check the ONE quarter you are correcting: Address 11100 Euclid Avenue 1: January, February, March Suite or room number 2: April, May, June OHIO 44106 Cleveland ZIP code X 3: July, August, September Use this form to correct errors you made on Form 941 or 941-SS for one quarter only. 4: October, November, December Type or print within the boxes. You MUST complete all three pages. Read the instructions before completing this form. Do not attach this form to Form 941 or 941-SS. Enter the calendar year of the quarter Part 1: Select ONLY one process. you are correcting: 2005 (YYYY) 1. Adjusted employment tax return. Check this box if you underreported amounts. Also check this box if you overreported amounts and you would like to use the adjustment process to correct the errors. You must check this box if you are correcting both underreported and overreported amounts on this form. The amount shown on line 18, if Enter the date you discovered errors: less than 0, may only be applied as a credit to your Form 941, Form 941-SS, Form 944, or Form 944-SS for the tax period in which you are filling this form. 10/31/2005 (YYYY) CO LMMi [X] 2. Claim. Check this box if you overreported amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 18. Do not check this box if you are correcting ANY underreported amounts on this form. Part 2: Complete the certifications. X 3. I certify that I have filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required. Note. If you are correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. 4. If you checked line 1 because you are adjusting overreported amounts, check all that apply. You must check all least one box. a. I repaid or reimbursed each affected employee for the overcollected federal income tax for the current year and the overcollected social security and Medicare tax for current and prior years. For adjustments of employee social security and Medicare tax overcollected in prior years. I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. b. The adjustment of social security tax and Medicare tax is for the employer's share only. I could not find the affected employees or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection c. The adjustment is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages. 5. If you checked line 2 because you are claiming a refund or abatement of overreported employment taxes, check all that apply. You must check at least one box. I certify that: a. I repaid or reimbursed each affected employee for the overcoffected social security and Medicare tax. For claims of employee social security and Medicare tax overcollected in prior years. I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection X b. I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security and Medicare tax. For refunds of employee social security and Medicare tax overcollected in prior years, I also have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. c. The claim for social security tax and Medicare tax is for the employer's share only. I could not find the affected employees; or each employee did not give me a written consent to file a claim for the employee's share of social security and Medicare tax; or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection.

d. The claim is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions.

Form 941-X (Rev. 6-2009)

Next -

Name (not your trade name)			Employer lo	ieni	tification number (EIN)	Correcting qu	iendar year (******)	
Unive	rsity Hospitals of Cleveland			7805			2005		
Pa	rt 3: Enter the corrections for t	his quarter. If any l	ine does	not apply, l	ea\	ve it blank.			
	 	Column 1		umn 2		Column 3		Column 4	
		Total corrected amount (for ALL – employees)			u	Difference (If this amount is a negative number, use a minus sign.)		Tax correction	
	Wages, tips and other compensation (from line 2 of Form 941)	_		-	= [Use the amount in you prepare your or Forms W-2c.		
	Income tax withheld from wages, tips, and other compensation (from line 3 of Form 941)				<u> </u>		Copy Column 3 here ▶		
	Taxable social security wages (from line 5a, Column 1 of Form 941 or Form 941-SS)	90,853,771.45	96,8	892,176.36	= [-6,038,404.91	X 124 * = nployer share only,	-748,762.21 use .062. See instructions	
9.	Taxable social security tips (from line 5b, Column 1 of Form 941 or Form 941-SS)		-		= [and some connecting high au	X .124 ° =	use .062. See instructions	
10.	Taxable Medicare wages and tips (from line 5c, Column 1 of Form 941 or Form 941-SS)	105,416,503,50	_ 111,	499,239.10	=	-6,082,735.60 *If you are correcting your ex	X .029 * = mployer share only	-176,399.33 use 0145 See instructions	
11.	Tax adjustments (from lines 7a through 7c of Form 941or Form 941-SS)		-		= }		Copy Calumn 3 here *		
12.	Special addition to wages for federal income tax		-		=		See estructions		
13.	Special addition to wages for social security taxes		-		=		See Instructions		
14.	Special addition to wages for Medicare taxes		-] =		See Instructions		
15.	Combine the amounts on lines 7-14	of Column 4						-925,161.54	
16.	Advance earned income credit (EIC) payments made to employees (from Form 941, line 9)		-] =		See «netructions		
17a.	COBRA premium assistance payments (from line 12a of Form 941 or 941-SS)		-		_		See Instructions		
17b	Number of individuals provided COBRA premium assistance (from line 12b of Form 941 or 941-SS)		-		=	=			
18.	Total. Combine the amounts in line	s 15, 16, and 17a of C	olumn 4 .			and the second second		-925,161.54	
	If line 18 is less than 0: If you checked line 1, this is the which you are filing this form, see the instructions.) If you checked line 2, this is the	e amount you want ref	unded or a	bated.	,	oo, Employor to			
	If line 18 is more than 0, this is to see Amount You Owe in the instru	ne amount you owe. F ctions.	ay this am	rount when yo	ou f	ile this return. For info	ormation on ho	w to pay,	

		Employer Identification number (EIN)	Correcting quarter 3 (1, 2, 3, 4) Correcting calendar year (YYYY)
niversity Hospitals of Cler	veland	7805	2005
Part 4: Explain your c	orrections for this quarter.		
19. Check here if an Explain both your	y corrections you entered on a line incl underreported and overreported amounts	ude both underreported and ove on line 21.	erreported amounts.
	y corrections involve reclassified work		
	is a detailed explanation of how you det	termined your corrections. See I	he instructions.
	nt represents a claim for a refund.		
Taxpayer claims into	erest as allowed by law on said refund, and	d a refund of any paid interest rela	ted to overpaid tax.
See the attached Ac	dendum to Form 941-X for a statement of	the basis of the instant refund cla	
A Form 8275-R disc	losure statement is also attached.		
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Under penalties of perjury, I de	ou must complete all three pages of this clare that I have filed an original Form 941 or Form 941 statements, and to the best of my knowledge and belief	SS and that I have examined this adjusted	return or claim, including ration of preparer (other
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Page 3

THEY HE IS LAND. (For use by employers or payers) Instructions Internal Revenue Service Center 1 10 Employer or Payer: Please complete Ogden, UT 84201-0046 this form and give it to the agent Agent: Please attach a letter requesting authority to do either all that is required of the employer for wages you pay on the Director employer's benail or all that is required of Daden, UT Service Center the payer for requirements of backup withholding (See applicable Revenue Procedures 70-6 or 84-33.) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your Note: Rev Proc 70-6/s available in Publication 1271 and Pev Proc 84-13 is available returns. (See reverse side for addresses) Li Peblication 1272 Employers or Payer's address (Number and street, cas flown or cost office, State Employer's or Payer's name and 20th codes. University Rospitals of Claveland 11100 Euclid Avenue 4. Emisseyer identification number Claveland, OH 44106 1305 Agents audiess (Number and street, csy, town or past accessional ZiP code). 5 Agers sisting 11100 Enclid Avenue-ROSS 151 to. The Hospitals Realth System, the Agent's employer identification number Claveland, OH 44106 4.2.25 10. Effective date of appointment by 9 If tilling uniter Rev Proc. Ethoday's for (Chees the box or boyes that apply) employer or payer 70-5, uces to slapply to Emgleyinen: taxes (Rev. Proc. 70-6) all employees? Sackup withholding (Rev. Proc. 84-23) April 1, 2003 (X) Yes □No Date Signsture of employer or payer Under section 3504 of the Internal Revenue Code prease autoprive this agent to do all that is required and a closes the one of that apply? Table of Eighting official (Indicate whether the person impact is an owner Strictlesser 21 July particled, mainther of firm, liductary, or a corporate officer : Chapter 22 (Panont Remember) 👯 Çibiyilər 24 🗝 Device Roberts, Sr. Vice Brast have easilies gy Dane od ng abdist Ligações pelitrolariga The complete of a Gallery Presidents of Subside Removing the analysis has been appointed development

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ADDENDUM TO FORM 941-X

I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the third calendar quarter of 2005, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the third quarter of 2005. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

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IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year.\(^1\) Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university. or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit. in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A. Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See. e.g., U.S. v. Mt. Sinai Med. Cir., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Form 8275-R

Regulation Disclosure Statement

Use this form only to disclose items or positions that are contrary to Treasury regulations. For other disclosures, use Form 8275, Disclosure Statement.

OMB No. 1545-0889

(Rev August 2008)

See separate instructions.

Attachment Sequence No 92A

Repartment of the Treasury stemat Revenue Service		► Attach	to your tax return.			
lame(s) shown on return				Identifyi	ng numt	per shown on return
niversity Hospitals of	Cleveland			!		1003
Part I General I	Information (se	ee instructions)				
(a) Regulation Section	(b) Item or Group of Items	D	(c) etailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1 31.3121(b)(10)-2	FICA Wages	Stipends paid to med Social Security or Me	dical residents and fellows are not edicare wages.	941-X	18	AMOUNT '
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Part II Detailed	Explanation (see instructions)				
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Part III Informa	ition About Pa	ss-Through Entity.	To be completed by partners, s	hareholde	rs, bei	neficiaries, or
residual	interest holder	S			<u> </u>	
Note: A pass-throug- investment tru	h entity is a partr st (REIT), or real	nership, S comoration, I estate mortgage inve	estate, trust, regulated investment stment conduit (REMIC). 2 Identifying number of pass-th			eal estate
1 Name, address,	and ZIP code of	pass-through entity	Identifying number of pass-tr Tax year of pass-through ent	<u> </u>		
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Foreign country For Paperwork Reduction Act Notice, see separate instructions.

Form 8275-R (Rev. 8-2008)

orm 8275-R (F	Rev. 8-2008) University Ho	spitals of Cleveland	7805	Page Z
Part IV	Explanations (continued from Parts			
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ADDENDUM TO FORM 941-X

I. OVERVIEW

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Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

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III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel. 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10), and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra — each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund

Rev. June 2009)	Department of the Treasury — Inte	emal Revenue Servic	e		OMB No. 1949-0029
(EIN) Employer identification number	7805			Return You Are C	
Name (not your trade name) Un	iversity Hospitals of Cleveland	d		X 941	- - -
Trade name (if any) Universit	y Hospitals Case Medical Cer	nter		941-SS Check the ONE quarter	you are correcting:
Address 11100 Euclid Aver	Nue Street		Suite or roam number	1: January, Febru	ary, March
Cleveland cay		State	14106 ZIP code	2: April, May, Jun 3: July, August, S	1
Tune or print within the boy	ors you made on Form 941 or es. You MUST complete all th ing this form. Do not atlach th	iree pages, ivea	u nic	X 4: October, Nove	
Part 1: Select ONLY	one process.			you are correcting:	
1. Adjusted employm check this box if you process to correct the underreported and the less than 0, may on	nent tax return. Check this box if a overreported amounts and you have the errors. You must check this booverreported amounts on this formally be applied as a credit to your F	would like to use to ox if you are correct m. The amount shi Form 941, Form 94	oting both own on line 18, if	2005 C	
or Form 944-SS for X 2. Claim. Check this became process to as	the tax period in which you are fi box if you overreported amounts of sk for a refund or abatement of the ou are correcting ANY underreport	only and you would e amount shown o	d like to use the on line 18. Do not	01/30/2006 (MM / DD / YYYY)	
Part 2: Complete the	e certifications.				
Statement, as req Note. If you are correct 4. If you checked fire 1 certify that: a. I repaid or reim overcollected so Medicare tax of claimed (or the employees or eart will not claim.	cting underreported amounts only ne 1 because you are adjusting abursed each affected employee a social security and Medicare tax for the collected in prior years, I have a claim was rejected) and will not not of social security tax and Medicach employee did not give me a aim a refund or credit for the over	or, go to Part 3 on p g overreported a for the overcollect or current and price a written stateme claim a refund or care tax is for the collection.	page 2 and skip lines 4 a mounts, check all that ed federal income tax for years. For adjustments ent from each employee credit for the overcollection amployer's share only. I detect that he or she has not consider that the or she has not consider the consideration that the co	nd 5. apply. You must check the current year and the s of employee social sec stating that he or she ha on. could not find the affecte claimed (or the claim was	at least one box. e urity and s not d s rejected)
C The adjustmen	nt is for federal income tax, social	i security tax, and	Medicare tax that I did n	ot withhold from employ	ee wages.
5. If you checked line You must check a	2 because you are claiming a refund at least one box.	d or abatement of o	verreported employment to	ixes, check all that apply.	
social security has not claime	mbursed each affected employee y and Medicare tax overcollected ed (or the claim was rejected) and	d will not claim a	efund or credit for the ov	ercollection.	
X b. I have a writte and Medicare statement fro	en consent from each affected em tax. For refunds of employee soo m each employee stating that he overcollection.	nployee stating the cial security and Nor she has not cla	at I may file this claim for Medicare tax overcollecte aimed (or the claim was i	r the employee's share o d in prior years, I also h rejected) and will not cla	im a refund or
employee did employee did ar credit for t	social security tax and Medicare d not give me a written consent to d not give me a written statement the overcollection.	that he or she has	s not claimed (or the clai	m was rejected) and wil	not claim a retuno
d. The claim is	for federal income tax, social sec	urity tax, and Med	licare tax that I did not w	ithhold from employee v	
For Privacy Act and Pape	rwork Reduction Act Notice, se	e the instruction	as.		Form 941-X (Rev. 5-2009

Name	(not your trade name)				Employer	ide	ntification number (EIN)	Correcting of	uarter 4 (1, 2, 3, 4) alendar year (YYYY)
Univ	ersity Hospitals of Cleveland				78	05			2005
P	art 3: Enter the corrections for t	his quarter. If any	lí	ne daes i	not apply,	lea	ve it blank.		
		Column 1			mn 2		Column 3		Column 4
		Total corrected amount (for ALL employees)		Amount or reported o previously (for ALL er	r as corrected	=	Difference (if this amount is a negative number, use a minus sign.)		Tax correction
6.	Wages, tips and other compensation (from line 2 of Form 941)		_			=		Use the amount in your prepare your or Forms W-Zc.	n Column 1 when Forms W-2
7.	Income tax withheld from wages, tips, and other compensation (from line 3 of Form 941)		-] = -		Copy Column 3 hare >	
8.	Taxable social security wages (from line 5a, Column 1 of Form 941 or Form 941-SS)	101,764,959.05	-	108,7	67,029.29	=	-7,002,070.24	X 124 * = Coployer share only.	-868,256.71
9.	Taxable social security tips (from line 5b, Column 1 of Form 941 or Form 941-SS)					=	"If you are correcting your am	X 124 " =	use 052. See instructions
10.	Taxable Medicare wages and tips (from line 5c, Column 1 of Form 941 or Form 941-SS)	123,371,880.93	-	130,4	77,598.19) =	-7,105,717.26	X 029 * =	-206,065,80 use .0145. See instructions.
11.	Tax adjustments (from lines 7a through 7c of Form 941or Form 941-SS)] -	-		=		Copy Column 3 here ▶	
12.	Special addition to wages for federal income tax] -	- [] =		See instructions	
13.	Special addition to wages for social security taxes			_]_		See instructions	
14.	Special addition to wages for Medicare taxes]	_]=	:	See instructions	
15.	Combine the amounts on lines 7–14	of Column 4							-1,074,322.51
16.	Advance earned income credit (EIC) payments made to employees (from Form 941, line 9)			-		_]=	-	Sae Instructions	
17a	. COBRA premium assistance payments (from line 12a of Form 941 or 941-SS)			-],	:	See instructions	
17b	Number of individuals provided COBRA premium assistance (from line 12b of Form 941 or 941-SS)			-		;	=		
18.	Total. Combine the amounts in lines	s 15, 16, and 17a of C	Co	lumn 4					-1,074,322.51
	If line 18 is less than 0: If you checked line 1, this is the which you are filing this form. (see the instructions.)	e amount you want ap If you are currently fili	opl inc	ied as a cr a Form 9	edit to your	Fo:	rm 941 or Form 941-S -SS, Employer's ANN	S for the tax p UAL Federal 1	eriod in fax Retum,

If you checked line 2, this is the amount you want refunded or abated.

If line 18 is more than 0, this is the amount you owe. Pay this amount when you file this return. For information on how to pay, see Amount You Owe in the instructions.

s (not your trade name)		Employer identification number (EIN)	Correcting quarter 4 (1, 2, 3, 4) Correcting calendar year (YYYY)
		7805	2005
versity Hospitals of Cleve	rections for this quarter.		
] 19. Check here if any Explain both your u] 20. Check here if any	corrections you entered on a line inc inderreported and overreported amount corrections involve reclassified work	kers. Explain on line 21.	
	a detailed explanation of how you de	etermined your corrections. See	the instructions.
The negative amount	represents a claim for a refund.		
	est as allowed by law on said refund, a		
See the attached Add	lendum to Form 941-X for a statement	of the instant refund claim.	
A Form 8275-R disclo	osure statement is also attached.		
		,	
	,		

Under penalties of perjury, I dec	u must complete all three pages of the lare that I have filed an original Form 941 or Form talements, and to the best of my knowledge and be the lare that I have been greated has any knowledge.	his form and Sign 1t. 941-SS and that I have examined this adjuste slief, they are true, correct, and complete. Dec	ed return or claim, including claration of preparer (other
than taxpayer) is based on all in	formation of which preparer has any knowledge.		
Sign your	100000	i Mic	hael A. Szubski
name here	Kurchel Oly bol	Print your title here	HS Treasurer & CFO
Date	4-15-10	Best daytime pho	ne (216) 844-1000
Paid preparer's use or	ıly		yed
Preparer's name		Preparer's SSN/PTIN	
Preparer's signature		Date	
Firm's name (or yours if		EIN	
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ADDENDUM TO FORM 941-X

I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the fourth calendar quarter of 2005, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the fourth quarter of 2005. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents. whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

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CHI99 5229809-3.065977.0017

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Form 8275-R

Regulation Disclosure Statement

(Rev. August 2008)

Use this form only to disclose items or positions that are contrary to Treasury regulations. For other disclosures, use Form 8275, Disclosure Statement. See separate instructions.

OMB No. 1545-0889

Attachment Sequence No. 92A

Department of the Treasury

Attach to your tax return.

Identifying number shown on return Internal Revenue Service Name(s) shown on return 7805 University Hospitals of Cleveland General Information (see instructions) Part I (e) (0) (c) (b) Form or Line **Detailed Description** Amount Item or Group Schedule No. Regulation Section of Items of Items Stipends paid to medical residents and fellows are not 1 31.3121(b)(10)-2 FICA Wages AMOUNT * 941-X Social Security of Medicare wages. 2 5 6 **Detailed Explanation** (see instructions) Part II 1 * or such greater amount to which taxpayer is entitled, plus any interest thereon, plus statutory interest as provided by law. This Form 8275-R relates to the fourth quarter of 2005. 2 See attached Addendum to Form 941-X for a statement of the basis of the instant refund claim. Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or Part III residual interest holders. Complete this part only if you are making adequate disclosure for a pass-through item. Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC). Identifying number of pass-through entity Name, address, and ZIP code of pass-through entity Tax year of pass-through entity Name to Internal Revenue Service Center where the pass-through entity Address City filed its return ZIP code State Foreign country Form 8275-R (Rev. 8-2008) For Paperwork Reduction Act Notice, see separate instructions.

ev. 8-2008)	University Hospitals of Cleveland	7805	Page Z
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	Explanation	Explanations (continued from Parts I and/or II)	

ADDENDUM TO FORM 941-X

I. OVERVIEW

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Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

843

Claim for Refund and Request for Abatement

rorm U-TU		•			OMB No. 1545-0024
Rev. February 2008) Department of the Treasury		➤ See separate instruct	ions.		
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	et, and room or suite no.)			Spouse's soc	ial security number
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seeking a refund	ity Hospitals of Cleveland withheld Inf these FICA Taxes.				
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Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP code

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Use Only

Check if self-employed

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Phone no.

Form 26/8 (Rev. June 1997)

Case 1:10-cv-00760-FMA Document 1 Filed 11/05/10 Page 55 of 163 Employer Appointment of Agent Under Section 3504 of the Internal Revenue Code Under Section 3504 of the Internal Revenue Code

(For use by employers or payers)

2678

To Internal Revenue Service Cer	nter	Instructions	•
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Form 843, Line 7 - Explanation of Adjustments

University Hospitals of Cleveland EIN: 7805

Quarters Ended March 31, June 30, September 30, and December 31, 2005

Compensation was paid by University Hospitals of Cleveland (the taxpayer) to various student employees for services performed by such students as medical residents during the year ended December 31, 2005. The taxpayer treated these amounts as wages subject to FICA tax and withheld and remitted the employees' and employer's share of FICA taxes to the IRS. FICA tax is generally imposed on wages under Section 3121. However, Section 3121(b)(10) provides that if a service is performed in the employ of a school, college, or university, or an organization described in Section 509(a)(3) supporting a school, college or university, by a student who is "enrolled and regularly attending classes" at such school, college or university, those services are exempt from FICA tax.

This claim is being filed to request a refund of the applicable Section 3101 employees' tax and Section 3111 employer's tax that was paid to the IRS with respect to such wages paid to medical residents. The claim is based upon the position that the taxpayer is the employer of the residents, qualifies as a school, college or university (or related organization described in section 509(a)(3)), and that the medical residents qualify as students employed by the taxpayer under interpretations of section 3121(b)(10) and Treas. Reg. section 31.3121(b)(10)-2(c) prior to amendment by T.D. 9167. Center for Family Medicine v. United States, 2008 U.S. Dist. LEXIS 59816 (No. Civ.05-4049-KES, D.S.D. August 6, 2008), United States v. Mount Sinai Medical Center of Florida, Inc., 2008 U.S. Dist. LEXIS 57808 (No. 02-22715-CIV-GOLD, S.D. Fla. July 28, 2008), Regents of the University of Minnesota v. United States, 2008 U.S. Dist. LEXIS 26263 (No. 06-5084 (RHK/JSM), D. Minn. April 1, 2008), Mayo Foundation for Medical Education and Research and Mayo Clinic v. United States, 503 F. Supp. 2d 1164 (D. Minn. 2007), University of Chicago Hospitals v. United States, 2006 U.S. Dist. LEXIS 68695 (No. 05 C 5120, N.D. Ill. Sept. 8, 2006), Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998), and United States v. Mayo Foundation for Medical Education and Research, and Mayo Foundation, 282 F. Supp. 2d 997 (D. Minn. 2003).

Pursuant to Treas. Reg. Section 31.6402(a)-2(a) and Rev. Rul. 81-310, 1981-2 C.B. 241, the taxpayer hereby files a claim for refund of the overpaid Section 3101 employee and Section 3111 employer tax, as shown herein, together with interest thereon.

The taxpayer believes the primary function test and student status determination prescribed by Treas. Reg. Section 31.3121(b)(10)-2 as amended by T.D. 9167 is contrary to the legislative intent of Section 3121(b)(10) and is also contrary to the aforementioned judicial determinations. Because the taxpayer's refund claim is inconsistent with published regulatory authority, the taxpayer is including this notice of inconsistent treatment with its refund claim.

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SCHEDULE B
(FORM 941)
(Rev. November 1998)
Department of the Treasury
Internal Rovenue Servico

Employer's Record of Federal Tax Liability

See Circular E for more information about employment tax returns.

QMB No. 1545-0029

Department of the Treasury 5151 Internal Rovenue Servico Name as shown on Form 941 (or Form 941 SS)

UNIVERSITY HOSPITALS HEALTH SY

Attach to Form 941 or 941-SS

Employer Identification number

4775

03/31/2005

You must complete this schedule if you are required to deposit on a semiweekly schedule, or if your tax liability on any day is \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTA coupons or EFTPS.)

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1	217,243(03			_		2		30	3
2		9				+	3,750,242,45	3 3	881,887,27
3		10	3,696,389 5	1/1	/	十	100 100 20		
4		1	196,718.1	5 1	8	- 2	198,129]3:	2	
5		1:	2	1	9	12	26		\dashv
6		1	3	2	0	:	27		
\dashv		1		7	1		28		
71 C	Total tax liability for	41-1	d month of quarter			· · ·			9,846,552,2 0 31,543,322,7
Š	Total for quarter (add	ines	A, B and C). This shou	id ec	ual line 13 of Form 941 (c	or lit	ne 10 of Form 941SS)		D 31,543,322,7 (Form 941) (Rev. 11-98)

For Paperwork Reduction Act Notice, see page 2

Cat. No. 11967Q

Schedule B (Form 941) (Rev. 11-98)

<u></u> 94	11	Fm	ployer's (Quart	erly Fe	deral	Tax	ς Ret	urn				
Rev. Janua	(erst y	See se	parate instruct	ions for in	aformation	on comple	eting t	his retur	'n				
	of the Treasury renue Service		·		pe or print								
nter sta	ite									1	OMB No. 1545-0029		
ode for n which		Name (as distingu	lehed from trade nat	ma)	A TL1 C	Date quart	er endo	id S	1	ŀ	T		
n waicii Jeposits		UNIVERSI	TY HOSPIT	ALS H	EALIH					t	FF		
nade Ol	A CONTRACTOR OF THE CONTRACTOR	Trade name, if any	,			Employer		cation num	ber	į	FD	_	
different	from						477				FP		
state in address	*o G TA	Address (number	and street)			City, state	and ZII	P ¢ode			1		
the right	[11100 EU	CLID AVEN	IUE						,	Τ		
page 2 c	र्व	CLEVELA	ND, OH 4	4106-1	736				1				
instructi	ons)	Co#ST/MZ											
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if addres									111	11.			
different from pri			╼╁┈┼┉╂╼╾╂		- - -	++	11	11	111				
return, c				8 8 8		9 9 9		_ L	10 10 10	10 10	10 10 10 10 10		
here		6 7	8 8 8 8						ges pald				_
If you c	io not have to	file returns in th	e future, chec	ck here	on an	d enter c	iate i triicti	OUS SU	ges pala d check he	r			_
If you a	re a seasonal	employer, see S ployees in the p	easonal Emp	tinclude	s March 1	2th 1	1					oele	_
1	Total wages	nd tips, plus of	er compensa	tion						. 2	126,183,2	0515	य जि
2 3	Total income	tax withheld from	n wages, tips	and sick	(paý					. 3	18,571,9		
- 3 - 4	Adjustment of	f withheld incom	e tax for prec	eding gu	arters of	calendar	year.			4		00	-
										1 1	18,571,9	199	11
5	Adjusted tota	of income tax v	vithheld (line	3 as adju	isted by li	ne 4 se	e insi	truction	15)	5 6b	14,610,0	16/2	25
6	Taxable socia	il security wages	š <i></i>	6a	117,8	ZZ,5 1 1)	16	X 12.47	1 (.124) -	5d	,0,10,	0 0	
		al security tips							(.124) =	7b	3,798,	558	09
7	Taxable Medi	care wages and	tips	7a					(.029) =	 '''			
8	Total social s	ecurity and Med ct to social secu	icare taxes (a urity and/or Me	dd lines adicare ti	bb, ba and	, /b). Gii	ECK] 8	18,408,	574	<u>34</u>
9	Adjustment of	f social security	and Medicard	e taxes (s	see instru	ctions fo	r-req	uired e	xplanation 0.00	9	12,	395	52
40	Sick Pay \$	Lafaccial cocu	52 Fractions	are faxes	s (line 8 a:	s adjuste	d by	line 9~	see		18,420,	989	86
10	instructions)									10	10,420,	3031	-
										11	36,992	969	77
11	Total taxes (a	add lines 5 and 1	10)										
40	Advance ser	ned income cred	lif (EIC) navme	ents mad	de to empl	oyees		, , , , , ,		12	1	,942	1//
12	N-44	thereast line 42 fr	om line 11\ 3i	f \$1.000 c	or more, ti	nis must	equa	al line i	1,	l l	36,991	027	กก
13	column (d) b	elow (or line D	of Schedule B	(Form 9	41)}		<i>.</i>			13	30,331	,02.	+-
											36,982	,387	31
14	Total deposi	ts for quarter, In	cluding overp	payment	applied fr	om a pri	or qu	arter	<i>.</i>	··\ -			
45	Balanco duo	(subtract line 1	4 from line 13). See in	structions	5				15	8	,639	1109
15 16	Overnavmen	t If line 14 is m	ore than line	13, enter	excess h	ere \$				_			
10	1 1 - 1 25	A- La T Ann	liad to part re	turn OR	· 1 1 R	etunded			5/5	044)			
		1731 461-1-4	- AL C4000 ·	UALL BOOK	1 not com	niete line	17 o	or Sched	dule B (Fo	rm 941)		X	1
	* Semiweel	dy schedule dep	ositors: Co	mplete S	chedule b	(Louin a	14:1) 4	ING CITE	ck nere		• • • • • • • • • • • • • • • • • • • •	=	ว้
	4 Monthly s	chedule deposit	ors: Compl	ete line 1	17, colum	ıs (a) thr	ough	1					
	11.4.5	nary of Federal	Tay I ishility	Do not i	complete	f vou we	re a	semiwe	ekly sche	dule de	positor.	t.n.r.	
77.	(a) First mon	h liability	(b) Second	month li	ability	(c)	Third	month i	iability	(d)	Total liability for qua	itter	
	107 - 11 31 31 31		,						o echadolae	and states	nents, and to the best of	my kr	iowleds
Si~	Under	penalties of parjury	, I declare that I h	ave examin	ed this retu	n, includin	g acco	udsankui	g acilconica i		nents, and to the best of		
Sig	1	ellef, it is true, corre	-c, and complete.		/	Print you	r		JANET B N	IICHELS	7100	אטעב	:
Hei	re Sign:	ature ~	H) M	cues	· · · · · · · · · · · · · · · · · · ·	Name and			ADP ATTY-	IN-FACT	Date 7/29/ Form 941		
For P	rivacy Act and	Paperwork Reduc	tion Act Notice,	see back	of form.			Cat.	No. 17001Z		rom 941	livea	,
			*										

Employer's Record of Federal Tax Liability SCHEDULE B (FORM 941) OMB No. 1545-0029 See Circular E for more information about employment tax returns. (Rev. November 1998) Department of the Treasury 5151 Attach to Form 941 or 941-SS Internal Novembe Service Date quarter ended Employer Identification number Name as shown on Form 941 (or Form 941-SS) 06/30/2005 4775 UNIVERSITY HOSPITALS HEALTH SY

You must complete this schedule if you are required to deposit on a semiweekly schedule, or if your tax liability on any day is \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTA coupons or EFTPS.)

	P3.)		4 Marita Ware Library	1976	First Month of Ouerto				
- _T			A. Daily Tax Liab	iiity	First Month of Quarte		1		4 500 002:47
1		8	232,759.43	15	1,135,701,49	22	198,292,54	29	1,509,882;17
\int		9		16		23	1	30	
+	1	\neg			-	24		31	1
3	1	10		17		24	1	Ĭ	
4	1,338,212,36	11		18		25			
5		12		19		26			
6		13	1	20		27			
7	4,672,205 62	14	365,648,00	21	3,740,317 23	28	:		10 100 010 01
<u>-</u> _	Total tax liability for f		month of quarter					. A	13,193,018,84
		····	B. Daily Tax Liab	oility	-Second Month of Qu	arte	<u>r</u>	τ	
1	:	8		15		22		29	
2		9		16		23		30	
7			1	1,7		2		31	811,235 21
3		10		17		1			
4	1 1	11		18	<u> </u>	2	5		
5	3,918,094,64	12		19	4,048,648,43	3 2	6		
6	212,976,27	13	800,632 3	1 20	205,139 8	7 2	7 159,1	4	
7		14		21		2	8		
B	Total tax liability for	sec	ond month of quarter			·		E	9,996,885,8
			C. Daily Tax Lla	bility	-Third Month of Qua	rter		\neg	T
1	1	8		1:	660,432,6	8 2	2	_ 2	9
2	:	9		110	3,769,947.9	8 2	:3	3	5,128,335
3	4,036,988,37	7 10		1	205,417.6	7 2	24	3	31
\neg	1,,000,000	1		1	3	\prod_{i}	25		
4		1		1			26		
5		1	1	_		-			
6		1	3	2	<u> </u>		27		
7	i 6 3	1		2			28	! !	C 13,801,122
C	Total tax liability for	thi	rd month of quarter.				40 -45 041991		D 36,991,027
D	Total for quarter (add	lines	A, B and C). This shou	ıld eq	ual line 13 of Form 941 (or it	ne 10 of Form 941SS)	<u>1</u>	3 (Form 941) (Rev. 11-98)

For Paperwork Reduction Act Notice, see page 2

Cat. No. 11967Q

Schedule B (Form 941) (Rev. 11-98)

_{om} 94	11	Employer's Quarterly Federal Tax Return			
Rev. Janua	IIY 1989)	See separate instructions for information on completing this return			
	t of the Treasury venue Service	Please type or print			
enter sta		Date quarter ended	1	OMB No. 1545-0029	
n which	•	Name (as distinguished from trade name) UNIVERSITY HOSPITALS HEALTH \$ 09/30/2005		Υ	
deposits		Trade game Hanv Employer Identification number	[FF	
made Ol		Trade name, if any.	ļ	FD	
different state:in	e ii Oiti	ette said and ZID ends		FP	
address	14:11	Address (number and street) 11100 EUCLID AVENUE		T	
the right			ı		
page 2 d instruct		CLEVELAND, OH 44106-1736			
		Co # ST/MZ25		4 5 5 5	
		1 1 1 1 1 1 1 1 1 2 3 3 3 3 3 3 3 3 4	1 11	4 5 5 5	
II addre differen					
from pr	ior o				
return, d here	check	6 7 8 8 8 8 8 8 8 8 9 9 9 9 9 10 10 10 10	10	10 10 10 10 10	
l# work	do not have to	file returns in the future, check here and enter date final wages paid			
IF works	ero a coaconal	employer, see Seasonal Employers on page 1 of the Instructions and chuck not			
	Number of en	ployees in the pay period that includes March 12th 1	2	107,010,236 91	
2	Total wages a	nd tips, plus other compensation	3	14,744,839 84	
3	Total income	withheld income tax for preceding quarters of calendar year	4.	0 00	
4				14,744,839 84	
5	Adjusted tota	of income tax withheld (line 3 as adjusted by line 4- see instructions)	5	12,014,629 86	
6	Taxable socia	l security wages 6a 96,892,176,36 x 12.4% (.124) -	6b	0.00	
		d security tips 6c 0 000 x 12.4% (.124) =	6d 7b	3,233,477 93	
7	Taxable Medi	care wages and tips 7a 111,499,239 10 x 2.9% (.029) =	10		
8	Total social s	ecurity and Medicare taxes (add lines 6b, 6d and 7b). Check here if wages et to social security and/or Medicare tax	8	15,248,107 79	
_	are not subje	f social security and Medicare taxes (see instructions for required explanation)		20 022 73	
9	Sick Pay S	28.833.73 Fractions of Cents \$ 0.00 Cities \$	9	28,833 73	
10	Adjusted tota	of social security and Medicare taxes (line 8 as adjusted by line 9 see	. 10	15,276,941 52	
	instructions)	or social security and methods the control of the c		704 704 704	
11	Total taxes (a	add lines 5 and 10)	. 11	30,021,781 36	-
•••			1	1,134,44	
12	Advance ear	ned income credit (EIC) payments made to employees	` 		•
13	Net taxes (su	abtract line 12 from line 11). If \$1,000 or more, this must equal line 17, elow (or line D of Schedule B (Form 941))	13	30,020,646 92	<u>.</u>
			1	29,963,020,72	?
14	Total deposi	ts for quarter, including overpayment applied from a prior quarter	. 14		
		(subtract line 14 from line 13). See instructions	. 15	57,626,20	<u>)</u>
15 16	Overnavmen	t If line 14 is more than line 13, enter excess nere \$			
10		4- 5-5 Applied to payt return OR Ketunggo	. 0.441		
		to the state of th	1 341)	x	
	 Semiweek 	ly schedule depositors: Complete Schedule B (Form 941) and check here.		Ĭ	
	 Monthly s 	chedule depositors: Complete line 17, columns (a) through			
17.	Monthly Sumr	mary of Federal Tax Liability. Do not complete if you were a semiweekly schedu	ile det	ositor. Total liability for quarter	
	(a) First mon	h liability (b) Second month liability (c) Third			ļ
<u>L</u>	110-1	penalties of perjury, I declare that I have examined this return, including accompanying schedules and	d staten	ents, and to the best of my knowle	edç
Sig	nd b	elief, it is true, correct, and complete.			
He	1	Print your JANET B MIC Name and Title ADP ATTY-IN		Date 10/26/2005	_
	i Signa	Paperwork Reduction Act Notice, see back of form. Cat. No. 17001Z		Form 941 (Rev. 1-99	1)
For P	rrivacy Act and	aperwork to decucify the treatment of the second			

SCHEDULE B (FORM 941) (Rev. November 1998) Department of the Treasury Internal Revenue Service

Employer's Record of Federal Tax Liability

See Circular E for more information about employment tax returns.

Attach to Form 941 or 941-SS

OMB No. 1545-0029

Name as shown on Form 941 (or Form 941-85)

UNIVERSITY HOSPITALS HEALTH SY

5151

Employer identification number 4775

Dale quarter ended 09/30/2005

You must complete this schedule if you are required to deposit on a semiweekly schedule, or if your tax liability on any day is \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTA coupons or EFTPS.)

			A Daily Tax Liabi	lity	First Month of Quarter				
1	203,789,31	8	1	15	904,022,78	22		29	1,420,585,17
十	200,100	9		16		23		30	
2					:	24	,	31	
3		10		17		\neg			
4		11		18		25			
5		12		19		26			
6	i	13		20		27	-		
7		14	3,829,567 63	21		28	4,125,049 49		10,483,014,38
A	Total tax liability for l		nonth of quarter		O Manth of Our	rto	<u></u>	Α	10,483,014,36
			B. Dally Tax Lial	onity-	Second Month of Qua	ł	1	29	
1		8	1	15	683,146,55	22			
2		9	-	16		23		30	
3		10		17		24		31	808,480,32
	1	11	3,899,577 5	4 18		25	3,929,425,36		
4			•			26	206,504,36		
5		12	205,842 8			2			
6	1	13	1	20	ļ	†			
7	į	14		21	<u> </u>	2	8	E	9,732,976,98
B	Total tax liability for	seco	nd month of quarter C. Daily Tax Lie	bility	Third Month of Quar	ter		- 	
T		8		1:	T	ł	2 3,945,082,70	6 2	9 432,72
+		+-	4,056,124,2	25 1		12	3 203,107:0	5 3	904,753,87
2		9			T	1	:4	1	11
3		10		1	4	+			
4		11		1	В	12	25		
5		12		1	9	- 2	993.2		
6		13		2	0	2	27 203 5	3	
	1	14		7	1		28		
7 C	Total tax liability fo	سنطع س	d month of quarter						C 9,804,655,5 D 30,020,646,9
ā	Total for quarter (add	lines	A, B and C). This sho	uld eq	ual line 13 of Form 941 (c	or lii	ne 10 of Form 941SS)	··· : 1	3 (Form 941) (Rev. 11-98)

For Paperwork Reduction Act Notice, see page 2

Cat. No. 11967Q

Co # ST/MZ25

Form 9	41	Employer's Quarterly Federal Tax Return		
Rev. Janu		See separate instructions for information on completing this return		
Internal Re	ovenue Service	Please type or print		
Enter st code fo				OMB No. 1545-0029
in whici		Name (as distinguished from brade name) UNIVERSITY HOSPITALS HEALTH \$ 12/31/2005	ŀ	T
deposit		UNIVERSITY HOSPITALS HEALTH \$ 12/31/2005	t	FF
made O		Trade name, if any Employer Identification number	t	FD
differen		4775	t	FP
state in addres:		Address (number and strest) City, state and ZIP code	İ	1
the righ	nt (see	11100 EUCLID AVENUE	ļ	Т
page 2	of	CLEVELAND, OH 44106-1736	'	
Instruct	tions)	t i		
		Co # ST/MZ25		
		1 1 1 1 1 1 1 1 1 2 3 3 3 3 3 3 3 3 4	4 4	5 5 5
If addre				
from pr				
return,	check 🔲 😃	<u> </u>	10 1	0 10 10 10 10
here	····			
If you	do not have to	file returns in the future, check here and enter date final wages paid		
	are a seasonal	employer, see Seasonal Employers on page 1 of the instructions and check her ployees in the pay period that includes March 12th 1		
	Total wasses	nd tips, plus other compensation	2	125,713,050 57
	Total income	ax withheld from wages, tips and sick pay	3	17,554,418 58
3	Total income	withheld income tax for preceding quarters of calendar year	4	0.00
.4	Adjustment of	Withheld income tax for preceding quarters of detailed form		
5	Adjusted total	of income tax withheld (line 3 as adjusted by line 4- see instructions)	5	17,554,418 58
6	Taxable socia	l security wages 6a 108,767,029 29 x 12.4% (.124) =	6b	13,487,111 63
. •		1 security tips 6c 0 00 x 12.4% (.124) =	6d	0 00
7		care wages and tips 7a 130,477,598 19 x 2.9% (.029) =	7b.	3,783,850 34
В	Total encial e	ecurity and Medicare taxes (add lines 6b, 6d and 7b). Check here if wages		
•	are not subject	of to social security and/or Medicare tax	8	17,270,961,97
9	Adjustment o	f social security and Medicare taxes (see instructions for required explanation)	9	0,00
	Sick Pay \$	0.00 Plactions of Cents \$ 0.00 Calci V		
10	Adjusted tota	of social security and Medicare taxes (line 8 as adjusted by line 9-see	10	17,270,961 97
	instructions).			
11	Total taxes fa	dd lines 5 and 10)	11	34,825,380 55
• • •				1,297 27
12	Advance earn	ed income credit (EIC) payments made to employees	12	1,297(21
13	Not taxes (su	btract line 12 from line 11). If \$1,000 or more, this must equal line 17,	1	34,824,083 28
	column (d) be	elow (or line D of Schedule B (Form 941))	13	34,024,000,20
		A would all from a prior quarter	14	34,868,101,96
14	Total deposit	s for quarter, including overpayment applied from a prior quarter	1	
15	Palance due	(subtract line 14 from line 13). See instructions.	15	
16	Overoavment	If line 14 is more than line 13, enter excess here \$ 44,018.68		
10	and check if	to be Applied to next return OR X Refunded		
	· All filors:	If line 13 is less than \$1000, you need not complete line 17 or Schedule B (Form	941)	(m)
	Semiweekl	y schedule depositors: Complete Schedule B (Form 941) and check here	• • • • •	×
		hedule depositors: Complete line 17, columns (a) through		
			o dan	ositor
17.	Monthly Summ	ary of Federal Tax Liability. Do not complete if you were a semiweekly schedul	(d)	Total liability for quarter
	(a) First month	Tracking (-7		
<u></u>	Horine	penalties of perjury, I declare that I have examined this return, including accompanying schedules and	stateme	ents, and to the best of my knowledge
Sig	n and be	lief, it is true, correct, and complete.		
Her	l l	Print your JANET B MICH		Date 1/28/2006
	Signat		AU 1	Form 941 (Rev. 1-99)
For P	rivacy Act and P	aperwork Reduction Act Notice, see back of form. Cat. No. 17001Z		•

SCHEDULE B
(FORM 941)
(Rev. November 1998)
Department of the Treasury Interval Revenue Stervice
Name as shown on Form 941 (or Form 941-SS)
UNIVERSITY HOSPITALS HEALTH SY

Employer's Record of Federal Tax Liability
OMB No. 1545-0029

Attach to Form 941 or 941-SS

Employer Identification number
12/31/2005

You must complete this schedule if you are required to deposit on a semiweekly schedule, or if your tax liability on any day is \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTA coupons or EFTPS.)

1 2 3 4 5	3,901,334.06	8 9 10 11	15 16 17 18			22		30	
3 4 5	3,901,334.06	9 10 11	16		;	23	3	30	
3 4 5	3,901,334.06	10 11	17		:	+==	<u></u>		
5	3,901,334.06	11			i	۱ ـ ـ	_1	31	1,165,167,39
5	3,901,334.06	1	18			24	\$	311	
	3,901,334,06	12				25	5		
	3,901,334,06		19	İ	† •	26	6		
6	3,901,334(06			· · · · · · · · · · · · · · · · · · ·	50,487¦8	2 2	7		
		13	20			1			
7	202,161,16	14	699,703,78 21	1	203,801;0	9 2	8	A	10,122,655,30
A Tota	al tax liability for	first	month of quarter	-Second	Month of C	uarte	er		
		8	15	7	873,444	- 1		29	1
1					-		23	30	859,109,86
2		9	116	- 		_			
3	4,083,722,5	10	17	7 3,	981,465	51 2	24	31	
4	220,598,5	3 11	118	в	210,164	19 2	25		
-		12	11	9		2	26		
5		1			i	1,	27		
6		13	20	U]	- · · · · · · · · · · · · · · · · · · ·				
7	i_	14	1				28	В	10,228,505,41
B Tot	al tax liability for	sec	ond month of quarter C. Daily Tax Liabilit	v-Third N	Ionth of Qu	iarte	r		
\Box					,881,964	- 1	1	29	
1	3,882,444.9	8 8	 	1				30	5,145,036,49
2	205,335,6	4 9	1	6	252,672	.51	23		
3		10	1	7	<u> </u>		24	3	1 105,468,44
4		1]	8			25		
5		12	 	19			26		
_				20		:	27		
6	<u>-</u>	1:				-			
7		14	· [2.1		;	28	; <u> </u>	14,472,922,5
C To	tal tax liability fo	r thir	d month of quarter A, B and C). This should ed		- E Farma OA	l for !	line 10 of Form		34,824,083;2

For Paperwork Reduction Act Notice, see page 2

Cat. No. 11967Q

Schedule B (Form 941) (Rev. 11-98)

BOX 3 Social Security Wages	BOX 4 Social Security Tax W/H	BOX 5 Medicare Wages	BOX 6 Medicare Tax W/H	
-			2,627.83	(91,229.57)
90,000,00	5,580.00	181,229.57	497.21	
34,290.62	2,126.02	34,290.62		•
-		39,907.32	578.66	-
39,907.32	2,474.25		298.80	•
20,606.61	1,277.61	20,606.61	592.96	•
40,893.69	2,535.41	40,893.69	=======================================	•
-	-	45 440 79	658.49	-
45,412.78	2,815.59	45,412.78	313.82	•
21,642.93	1,341.86	21,642.93	602,64	•
41,581.57	2,576.82	41,561.57	24.33	-
1,677.80	104.02	1,677.80	319.44	-
22,030.62	1,365.90	22,030.62	330 92	•
22,822.06	1,414.97	22,822.06	585.16	•
40,355.69	2,502.05	40,355.69 40,331.48	584.81	•
40,331.48	2,500.55		616.79	-
42,536.97	2,637.29	42,536.97	300.81	•
20,745.35	1,286.21	20,745.35	390.04	•
26,899.35	1,667.76	26,899.35 40.817.57	591.85	•
40,817.57	2,530.69	40,817.57	1,466.67	(11,149.4
90,000.00	5,580.00	101,149.48	642.69	· -
44,323.27	2.748.04	44,323.27 30,991,93	449.38	-
30,991.93	1,921.50	30,991,93 22,086.93	320.26	
22,086,93	1,369.39		245.93	•
16,960.93	1,051.58	16,960.93 43,409.57	629.44	
43,409.57	2,691.39	43,409.57 22,144.52	321.10	-
22,144.52	1,372.96	19,934.75	289.05	•
19,934,75	1,235.95	21,867.62	317.08	-
21,867.62	1,355,79	42,995.57	623.44	٠
42,995.57	2,665.73	22,540.52	326.84	-
22,540.52	1,397.51	43,583.57	631,96	•
43,583.57	2,702.18	22,540.52	326.84	•
22,540.52	1,397.51	45,666.34	662.16	
45,666.34	2,831.31	43,072.37	624.55	•
43,072.37	2,670.49		307.25	-
21,189.35	1,313.74	21,189,35	300.81	•
20,745.35		20,745.35	617,92	
42,615.34	2,642.15	42,615.34	614.12	
42,352.97		42,352.97 21,642.93	313.82	
21,642.93		36,973.73	536.12	
36,973,73		42,832,34	621.07	
42,832.34			310.97	
21,446.08	1,329,66	21,446.08	600.84	
41,437.57		41,437.57	313.82	
21,642.93		21,642.93	620.92	
42,822.07		42,822.07	581.59	
40,109.34		40,109.34	396,58	
27,350.53		27,350.52	123.54	
8,520.0		8,520.01 44,655.34	647.50	
44,655.3		44,655.34	300.35	
20,713.6		20,713,65 40,250,24	583.63	
40,250.2		22,312.60	323 53	
22,312.6	0 1,383.38		595.00	
41,034.6	5 2,544.15	41,034.65 42,899.41	622.04	
42,899.4		39,326.27	570.23	
39,326.2		39,320.21	-	
-	- 4 207 72	21,011.73	304.67	
21,011.7		30,243.75	438.54	
30,243.7	~ 5 4 4 5 7	40,949.57	593.77	
40,949.5		56,292.57		
56,292.5	3,490.14	30,232.37	-	
-	•	:		
		20,543.03	297.87	
20,543.0		40,785.69	En4 30	
40,785.6		22,086.93	200.20	
22,086.9	1,369.39	22,066.95 34,817.76	504.05	
34,817.7			******	
45,509.8	30 2,821.61	45,509.80	, eas ve	
47,107.5	54 2,920.67	47,107.54		
20,975.0		20,975.03		
•	-	-	296.23	
20,429.	93 1,266.66	20,429.93	, C14.72	
42,188.		42,188.69	200.10	
	38 1,197.68	19,317.3	4 ZOV. IU	

вох з	BOX 4	BOX 5	BOX 6	
ocial Security Wages	Social Security Tax W/H	Medicare Wages	Medicare Tax W/H	
	2,822.20	45,519.34	660.03	_
45,519.34	1,341.79	21,641.72	313.80	
21,641.72	1,886.68	30,430.37	441.24	
30,430.37		53,605.62	777.28	-
53,605.62	3,323.55	23,158.53	335.80	
23,158.53	1,435.83	39,877.04	578.22	•
39,877,04	2,472.38	42,205.85	611.98	-
42,205.85	2,616.76	42,205.05	•	-
· -	•		617.61	-
42,593.57	2,640.80	42,593,57	-	-
\	•	•	631.76	-
43,569,57	2,701.31	43,569,57		
36,439.59	2,259.25	36,439.59	528.37	_
36,435.33		•	•	_
	1,335.02	21,532.59	312.22	
21.532.59		45,269.02	656.40	-
45,269.02	2,806.68	42,514.37	616.46	-
42,514.37	2,635.89	22,086.93	320.26	•
22,086.93	1,369.39		598.82	•
41,297.97	2,560.47	41,297.97	608.91	-
41,993.57	2,603.60	41,993.57	300.95	-
20,754.93	1,286.81	20,754.93	611.07	
42,142.89	2,612.86	42,142.89		-
21,073,43	1,306.55	21,073.43	305.56 278.40	-
	1,617.99	26,096.64	378.40	-
26,096.64	1,342.46	21,652.52	313.96	_
21,652.52	1,341.86	21,642.93	313.82	-
21,642.93		58,756.88	851.97	•
58,756.88	3,642.93	20,229.35	293.33	•
20,229.35	1,254.22	44,310.46	642.50	•
44,310.46		21,652.52	313.96	•
21,652.52	1,342.46		307.21	•
21,186.93	1,313.59	21,186.93	469.70	•
32,392,78		32,392.78	313.75	
21,637.7		21,637.77	417.01	
28,759.55		28,759.55	374.81	
25,849.1		25,849.16	742.97	
51,239.0	0.470.00	51,239.04		
	5 505 54	53,145.34	770.61	
53,145.3	105100	21,854.75	316.89	
21,854.7	0.500.45	41,615.38	603.42	
41,615.3	0.000 67	42,573.72	617.32	
42,573.7	2,639.57	41,561.57	602.54	
41,561.5	2,576.82	45,237.22	655.94	
45,237.2	2 2,804.71	21,642.93	313.82	
21,642.9	3 1,341.86		643.67	
44,391.3		44,391.34	14,07	
970.0		970.00	343.64	
23,699.2	4 400 25	23,699.21	313.82	
21,642.9	4 344 00	21,642.93		
	5 540 50	40,589.12	588.54	
40,589.1	~ ^^~	20,754.93	300.95	
20,754.9	4 0 4 4 4 4 4	21,678.93	314.34	
21,678.9	4 4 4 4 4 4 4	42,593.57	617.61	
42,593.		64,427.97	934.21	
64,427.		23,437.50	339.84	
23,437.		44,793.57	649.51	
44,793.		21,642.93	313.82	
21,642.	3 1,341.86	21,042.93	268.18	
18,495.	31 1,146.71	18,495.31	261.02	
18,001	31 1,116.08	18,001.31	382.53	
26,381.		26,381.61	325.03	
22,416.		22,416.08	293,33	
20,229	1 254 22	20,229,35	643.67	
44,391	00	44,391.34		
·	4 244 00	21,642.93	313.82	
21,642	4.500.00	24,241.60	351.50	
24,241		42,717.57	619.40	
42,717	0.000.04	41,971.65	608.59	
41.971		7.12.130	•	
	,	:	•	
			C47 22	
44,360	.78 2,750,37	44,360.78	244.50	
23,765		23,765.40	404.66	
7.003		7,003.14		
	•••	•	202.25	
		47,121.30	683.26	
47,121	0.007.03	47 064 0	694.04	
47,854		00 000 C		
00.000	2,418.60		278 5/4	
39,009	77 1,447.56		7 330.54	

BOX 3	BOX 4	80X 5	BOX 6 Medicare Tax W/H	
ocial Security Wages	Social Security Tax W/H	Medicare Wages	761.83	
52,539.69	3,257.46	52,539.69	288.34	-
19,885.77	1,232.92	19,885.77	291.27	-
20,087.77	1,245.44	20,087.77	573.20	•
39,530.86	2,450.91	39,530.66	591.39	-
40,785.69	2,528.71	40,785.69	287.79	-
	1,230.56	19,847.77	652,58	
19,847.77	2,790.35	45,005,69		
45,005.69	1,497.60	24,154.77	350.24	
24,154,77	1,179.60	19,025.77	275.87	_
19,025.77	1,198.57	19,331.77	280.31	_
19,331.77	,	40,359.94	585.22	
40,359.94	2,502.32	52,011.77	754.17	-
52,011.77	3,224.73	41,651.94	603.95	-
41,651.94	2,582.42	42,455.13	615.60	
42,455.13	2,632.22		274.78	-
18,950.17	1,174.91	18,950.17	591.89	•
40,819.69	2,530_82	40,819.69	609.68	•
42,046.77	2,606.90	42,046.77	813.59	•
	3,478.80	56,109.69	287.79	•
56,109.69	1,230.56	19,847.77		
19,847.77	1,315.38	21,215.77	307.63	
21,215.77	2,528.71	40,785.69	591.39	
40,785.69		42,637.10	618.24	
42,537.10	2,643.50	21,409.75	310.44	-
21,409.75	1,327.40	45,047.94	653,20	
45,047.94	2,792.97	19,958.81	289.40	-
19,958.81	1,237,45	57,084.19	827.72	
57,084.19	3,539.22	50,302.94	729.39	. •
50,302.94	3,118.78		751,76	-
51,845.69	3,214.43	51,845.69	290.83	•
20,056.97	1,243.53	20,056.97	344.34	-
23,747.77	1,472.36	23,747.77	296.06	
20,417.77	1,265.90	20,417.77	348.56	
·	1,490.40	24,038.77	403.56	
24,038.77	4 706 67	27,831.77		
27,831.77	4 606 16	27,197.77	394,37	
27,197.77	0.045.51	42,185.67	611.69	
42,185.67	2,615.51	20,581.30	298.43	
20,581.30	1,276.04	22,198.64	321.88	
22,198.64	1,376.32	18,959.77	274.92	
18,959.7	1,175.51		437.01	
30,138.7		30,138.77	344.03	
23,726.4		23,726.48	626.61	
43,214.6		43,214.69	701.82	
48,401.6		48,401.69	337.49	
	1 442 07	23,275.27	348.48	
23,275.2	4 400 07	24,033.37		
24,033.3	4 200 77	22,560.78	327.13 344.45	
22,560.7	2.054.97	49,272.09	714.45	
49,272.0	4 242 47	20,039.77	290.58	
20,039.7	7 1,242.47	44,913.69	651.25	
44,913.6	9 2,784.65	37,935.96	550.07	
37,935.9	6 2,352.03	51,528.69	747 17	
51,528.6	9 3,194.78	56,758.44	823.14	
56,768.4	4 3,519.64	50,760,44 69,199,69	1,003.40	
69,199.6	9 4,290,38		615.60	
42,455.4		42,455.49	637.45	
43,962.		43,962.33	562.20	
38.772.	- 105.00	38,772.31	760 DA	
38,772. 52,475.	******	52,475.69	662.13	
		38,767.79	EEL 64	
38,767.	0.440.50	39,009.69		
39,009.	, noc as	20,745.35	300.81	
20,745.	0.700.00	45,046.06	653,17	
45,046.	2 626 26	40,747.77	, 590.84	
40,747.	0.000.01	40,692.09	1 590.04	
40,692		20,881.3	5 302.78	
20,881	35 1,294.64	20,706.1	7 300.24	
20,706	1,283.78	24 672 8		
24,672		24,672.9	J 247 OF	
21,652	4 747 46	21,652.5	2 270.86	
	4 400 00	19,300.3	610.70	
19,300	0.044.00			
42,117	0.454.70		4 574.09	
39,592	4 074 E0	20 225 3	1 438.41	
30,235		22 055 2	5 345,90	
23,855	.35 1,479.03	44 460 6		
41,169	.69 2,552.52	an ana s	610 57	
42.104		42,104.8	F74 85	

4 BOX 5	BOX 6
y Tax W/H Medicare Wages	Medicare Tax W/H
	294.23
1,200.00	287.64
******	564.51
2,413.76 38,931.6	577.68
2,470.07 39,839.9	591.39
2,528.71 40,785.6	291.39
-	•
2 533 18 40,857.0	592.44
2,000,10	294.23
1,258.09 20,291.	297.13
1,270.49 20,491.	
2,535.89 40,901.	593.07
1,157.21 18,664.	270.04
	287.93
1,201.10	617.61
45 700	518.86
2,218.59 35,783.	596.96
2,552.52 41,169.	
2,421.08 39,049.	566.22
44.070	604.27
40 470	615.87
2,633,37 42,473	502.40
2,148.21 34,648	504.00
2,528.71 40,785	091.39
2,000.11	306.99
14.654	
2,582.58 41,654	
-	E04.90
2,528.71 40,785	591.39
2,020,11	623.06
2,001,12	
9,019.11	200.22
1,311.51 21,153	274.00
1,175.51 18,959	506.06
2,552.52 41,169	
2,002.02	•
2 246 71 36,23	525.44
2,470.11	225.84
1,397,51 22,540	COP OF
2,937,32 47,37	•
40.00	8 289.43
07.07	
2,011.01	
1,254.22 20,22	200.00
1,278.45 20,62	
1,205.27 19,43	1 281.88
7,4,00.0.	
1,011,01	
1,234.88 19,91	729 73
1,446.66 23,33	
2,979.49 48,05	696.82
2,579.30 41,60	sg 603.22
2,010.00	
1,400.01	
2,664.61 42.97	201.40
2,571.91 41,48	<i>,</i>
2,528.71 40,78	591.39
2,020.71	
2,000.00	
2,044,40	500.79
2,534.66 40,8	207.05
1,313.74 21.1	
3,690.89 59,5	47 863.19
3,000.00	
2 715 06 43.7	34 634.97
1,254 22 20,2	
•	
2,528.71 40,7	69 591.39
.,	
1,001.11	_
-	
2,413.90 38,5	.00
2,513.51 40,5	.51 587.84
2,010.01	
2,020.11	
•	
-	202.54
	5.62 298.51
1,214.01	·
-	- CC 40
200.00	Dr. 63
403 48 6,	3.32 95.53
2,402.86 38.	5.82 561.96
2,402,00	•
	0.06
38.73	4,60 9.06
30.10	0.27 601.90
2 5 7 2 5 4 4 1	
	4 27 587.89

BOX 3	BOX 4	BOX 5	BOX 6	
ocial Security Wages	Social Security Tax W/H	Medicare Wages	Medicare Tax W/H	-
	2,432.52	39,234.27	568.90 574.46	
39,234,27	2,456.33	39,618.27		-
39,618.27	2,485.51	40,088,91	581.29 596.79	-
40,088.91	2,551.81	41,158.27		-
41,158.27	2,719.77	43,867.27	636.08	
43,867.27	2,424.59	39,106.27	567.04	-
39,106.27	2,494.52	40,234.27	583.40	
40,234.27		39,061.91	566.40	
39,061.91	2,421.84	41,687.31	604.47	
41,687,31	2,584.61	40,198.91	582.88	
40,198.91	2,492.33	· · · · · · · · · · · · · · · · · · ·	566.36	•
39,059.31	2,421.68	39,059.31	570.02	-
39,311.91	2,437.34	39,311,91	539.41	-
37,200.71	2,306.44	37,200.71	546.35	•
37,679.06	2,336.10	37,679.06	580.11	-
40,007.31	2,480.45	40,007.31	571.80	-
	2,444.92	39,434.27	628.11	-
39,434.27	2,685,73	43,318.27		-
43,318.27	2,441.82	39,384.27	571.07	-
39,384.27	2,607.79	42,061.19	609.89	
42,061.19		41,334.27	\$99,35	
41,334.27	2,562.72	43,878.27	635.23	
43,878.27	2.720.45	38,130.76	552,90	
38,130.76	2,364.11	43,426.06	629.68	•
43,426.06	2,692.42	· · · · · · · · · · · · · · · · · · ·	597.55	
41,210.27	2,555.04	41,210.27	716.68	
49,426.06	3,064.42	49,426.06	750.26	
51,742.08	3,208.01	51,742.08	799.81	
55,159.56	3,419.89	55,159.56	791.35	
54,576.14	3,383.72	54,576.14	758.38	
	3,242.73	52,302.05	274.68	
52,302.05	1,174.48	18,943.22		
18,943.22	2,463.79	39,738.47	576.21	
39,738.47	0.467.00	39,630.05	574.64	
39,630.05		43,342.05	628,46	
43,342.05		43,010.05	623,65	
43,010.05	2,666,62	43,942.05	637.16	
43,942.0	2,724.41	38,742.05	561.76	
38,742.05	2,402.01		546.80	
37,710.0	0.000.00	37,710.05	555.52	
38,312.0		38.312.05	594.25	
40,983.0		40,983.05	561.76	
		38,742.05	565.08	
38,742.0	0.450:00	38,970.98	577.71	
38,970.9	0.470.04	39,842.05		
39,842.0		39,618.27	574.46	
39,618.2	0.445.76	38,980.05	565.21	
38,980.0		37,458.27	543.14	
37,458.2	7 2,322.41	42,742.05	619.76	
42,742.0	5 2,650.01	38,226.05	554.28	
38,226.0	5 2,370.02		461.51	
31,828.0	9 1,973.34	31,828.09	613.54	
42,313.3	9 2,623.43	42,313.39	586.41	
40,442.0		40,442.05	541.85	
37,369.0	0.240.00	37,369.05	581.77	
40,122.3	0 487 50	40,122.27	616.49	
		42,516.69	459.24	
42,516.0	, , , , , , , , , , , , , , , , , , ,	31,671.99	FC 1 76	
31,671.	0.400.04	38,742.05	561.76	
38,742.	0.000.44	37,458.27	543.14	
37,458.	0.407.60	40,122.27	581.77	
40,122.		39,234.27	568.90	
39,234.	2,432.52	38,202.27	553.93	
38,202.	27 2.368.54	25,892.80	3/5.45	
25,892		39,618.27		
39,618	₂₇ 2,456.33	44 470 46		
11,470		11,470.48	•	
	-	-	580.87	
10.000	n 400 TO	40,060.03	275.00	
40,060	4 470 74	19,027.5	+ ESO R5	
19,027	0.000.64		7 558.85	
38,541	. 4 a a a a a	10 160 6	3 277.96	
19,169	0.450.66	20 664 7	7 574.99	
39,654	0.400.30	, 40 640 4	7 574.46	
39,618	.27 2,456.33	20.775.2	7 576.76	
39,776	.27 2,466.13	£1.781.1		
51.28		51,281.1	272 77	
18,88	4 430 6	2 18,881.0	13 EE9 00	
	0 111 6	2 39,234.2	£ £ 1 00	
39,23		38,068.5		

1	BOX 6	BOX 5	BOX 4	50V 3
	dicare Tax W/H	Medicare Wages	Social Security Tax W/H	BOX 3
	574.46	39,618.27	2,456.33	Social Security Wages
	279.02	19,242.64		39,618.27
L	581.95	40,134.27	1,193.04	19,242.64
	278.50	19,206.64	2,488.32	40,134.27
-	642.96	44,342.05	1,190.81	19,206.64
•	542.87		2,749.21	44,342.05
-	569.77	37,439.55	2,321.25	37,439.55
	574.33	39,294.27	2,436.24	39,294.27
		39,608.91	2,455.75	
	552.18	38,081.06	2,361.03	39,608.91
	569.40	39,269.31		38,081.06
•	571.62	39,422.05	2,434.70	39,269.31
-	546.80		2,444.17	39,422.05
•	584.78	37,710.05	2,338.02	37,710.05
-	596.96	40,329,47	2,500.43	40,329.47
-		41,169.69	2,552.52	41,169.69
	541.14	37,320.22	2,313.85	37.320.22
	564.78	38,950.05	2,414.90	
	278.49	19,206.44		38,9\$0.05
•	456.44		1,190.80	19,206.44
-	590.84	31,478.91	1,951.69	31,478.91
	576.43	40,747.77	2,526.36	40,747.77
-		39,753.69	2,464.73	39,753.69
-	596,96	41,169.69	2,552,52	
•	558.50	38,517.47		41,169.69
•	587.82	40,539.65	2,388.08	38,517.47
•	319.74		2,513.46	40,539.65
•	•	22,050.93	1,367.16	22,050.93
	592.44		-	
=		40,857.69	2,533.18	40,857.69
	799.77	55,156.47	3,419.70	
•	547,90	37,786.27		55,156.47
-	628.71	43,359.34	2,342.75	37,786.27
•	561,76	38,742.05	2,688.28	43,359.34
-	588.19		2,402.01	38,742.05
	492.44	40,564.52	2,515.00	40,564.52
-	565.09	33,961.05	2,105.59	33,961.05
-		38,972.05	2,416.27	
_	294.55	20,313.64	1,259.45	38,972.05
•	\$60.72	38,670.05		20,313.54
-	571.75	39,431.22	2,397.54	36,670.05
	696.83		2,444.74	3 9,431.22
	536.54	48,057.47	2,979.56	48,057.47
		43,899.12	2,721.75	43,899.12
	296.61	20,455.60	1,268.25	
•	581 77	40,122.27	2,487.58	20,455.60
•	580.89	40,061.47		40,122.27
	603.04	41,589.11	2,483.81	40,061.47
	668,94		2,578.52	41,589.11
	574.99	46,133.51	2,860,28	46,133.51
		39,654.27	0.450.50	39,654.27
	290.14	20,009.72		
	545.75	37,638.27	0.453.67	20,009.77
	568.36	39,197.31	5 450 55	37,638,2
	574.33		2,430.23	39,197.3
	593.39	39,608.91		39,608.9
	274,84	40,923.65		40,923.6
		18,954.47	4 475 40	
	578.99	39,930.27	0.475.50	18,954.4
	617.92	42,615.34	20.000	39,930.2
	-	-	2,642.15	42,615.3
	313.82	21,642,93	-	-
	589.82		3 1,341.86	21,642.9
	339,05	40,677.47		40,677.4
		23,382.73		
	556.01	38,345.77		23,382.7
	562.27	38,778.05	A 101 00	38,345.7
	446.94	30,823.14		38,778.0
	583.51		4 1,911.03	30,823.1
		40,241.85		40.241.6
	581,12	•		40211
		40,077.47		
	583.71	40,255.55		40,077.
	-		5 2,493.64	40,255.
	•	_	-	•
	591.39	-0.365.00	•	
	565.12	40,785.69	9 2,528.71	40,785
		38,974.11	0.440.00	
	585.68	40,392.02	0.504.04	38,974.
	456.44	31,478.89	4.054.00	40,392
	554.04	38,209.82	1,951.69	31,478.
	550.21		32 2,369.01	38,209
	555.78	37,945.82	0.250.61	37,945
		38,329.82		
	563.71	38,876.87		38,329
	544,05			38,876

BOX 3	BOX 4	BOX 5	BOX 6 Medicare Tax W/H	
ocial Security Wages	Social Security Tax W/H	Medicare Wages	Wedicare (ax vviii	-
	•		691,85	•
40,817.57	2,530.69	40,817.57	-	-
•		36,597.83	530.67	-
36,597.83	2,269.07	36,503.81	529.31	
36,503.81	2,263,24		767.06	-
52,900.45	3,279.83	52,900.45	587.52	-
40,518.82	2,512.17	40,518.82	546.47	-
37,687.77	2,336,64	37,687.77	545.22	-
37,601.60	2,331.30	37,601,60		-
50,994.27	3,161.64	50,994.27	739.42	_
38,245.82	2,371,24	38,245.82	554.56	_
36,850.49	2,284.73	36,850.49	534.33	•
38,952.82	2,415.07	38,952.62	564.82	_
37,385.31	2,317.89	37,385.31	542.09	-
	2,376.45	38,329.82	555.78	•
38,329.82	1,151.06	18,565.51	269.20	-
18,565.51		37,825.60	548.47	•
37,825.60	2,345.19	41,403.62	600.35	
41,403.62	2,567.02		542.09	•
37,385.31	2,317.89	37,385.31	442.17	
30,494.53	1,890.66	30,494.53	***************************************	-
-	-	-	272.24	
18,775.51	1,164.08	18,775.51		-
18,775.51	1,164.08	18,775.51	272.24	
37,945.82	2,352.64	37,945.82	550.21	_
38,761.82	2,403.23	38,761.82	562.05	•
	2,375.58	38,315.82	555,58	-
38,315.82	2,351.52	37,927.82	549.95	-
37,927.82	1,162,97	18,757.51	271,98	•
18,757.51		38,329.82	555.78	•
38,329.82	2,376.45	36,448.22	528.50	
36,448.22	2,259.79		550.21	
37,945.82	2,352.64	37,945.82	482.41	
33,269,82	2,062.73	33,269.82	555.96	
38,341.90	2,377.20	38,341.90	555.78	
38,329.82	2,376.45	38,329.82		
37,945.82	2,352.64	37, 9 45.82	550.21	
18,791.17	1,165.05	18,791.17	272.47	
38,329.82	2,376.45	38,329.82	555.78	
	2,296,84	37,045.82	537.16	
37,045.82	2,230,04	•	-	
	0.756.26	38,005.82	551.08	
38,005.82	2,356.36	40,345.82	585.01	
40,345.82	2,501.44	35,181,49	510,13	
35,181.49	2,181.25		550.21	
37,945.82		37,945.82	563.09	
38,833.82	2,407.70	38,833.82	552.01	
38,069.90		38,069.90	555.78	
38,329,82		38,329.82		
41,245.82		41,245.82	598.06 550.21	
37,945.82		37,945.82	550.21	
37,528.48	* aaa 77	37,528,48	544.16	
	- 007 10	36,409,60	527.94	
36,409.60		38,175.60	553.55	
38,175.60		38,041.60	551.60	•
38,041.60		39,745.82	576,31	
39,745.82		37,441.60	542.90	
37,441.60		37,229.82	539.83	
37,229.83		37,927.82	549.95	
37,927.83	2,351.52	31,321,02	•	
-	-	•	-	
-	•		530.84	
36,609.8	2,269.81	36,609.82	555.13	
38,284.8		38,284.82	F 40 CO	
37,695.7	-	37,595.78		
38,105.8		38,105.82	552.53	
		42,307.60	613.46	
42,307.6		37,945.82	550.21	
37,945.8		38,833.82		
38,833.8		37,441.60	540.00	
37,441.6			548.77	
37,432.4		37,432.48	FEC. 45	
39,045.8	2 2,420.84	39,045.82	C45.47	
37,825.6		37,825.60	CCA 24	
37,945.8		37,945.82		
38,389,8		38,389.82	556.65	
		38,365.83	556.30	
38,365.8		18,565.5°	269.20	
18,565.5	00.101,1			
36,151.5		36,151.58	324,20	

вох з	BOX 4	BOX 5	BOX 6 Medicare Tax W/H	
cial Security Wages	Social Security Tax W/H	Medicare Wages		
	2,292.24	36,971.62	536.09	
36,971,62	2,323.05	37,468.48	543.29	
37,468.48		38,581.51	559.43	
38,581.61	2,392.06	37,945.82	550,21	-
37,945.82	2,352.64		550.21	•
37,945.82	2,352.64	37,945,82	554.71	-
38,255.82	2,371.86	38,255.82		-
	2,354.87	37,981.82	550.74	
37,981.82		36,707.56	532.26	
36,707.56	2,275.87	37,024.70	536.86	
37,024.70	2,295.53	37,024,10	•	-
	•		269.03	-
18,553.51	1,150.32	18,553.51	2.00.00	
10.555,01	•	-	****	
	2,319.16	37,405.84	542.38	
37,405.84		37,432.48	542.77	
37,432.48	2,320.81		550.21	•
37,945.82	2,352.64	37,945.82	300.52	-
20,725,55	1,284.98	20,725.55	92.22	•
	394.31	6,359.82		
6,359.82		37,441,60	542.90	_
37,441.60	2,321.38	29,433.37	426.78	•
29,433.37	1,824.87		451.96	-
31,169.90	1,932.53	31,169.90	630.48	-
43,481.57	2,695.86	43,481.57		-
45,451.51	· _	-	200.04	-
<u>.</u>	1,268.25	20,455.60	296.61	_
20,455.60	1,200.23		-	•
•	-	13,037.49	189.04	•
13,037.49	806.32		268.94	•
18,547.63	1,149.95	18,547.63	574.46	
39,618.27	2,456.33	39,618.27		
	2,432.52	39,234.27	568.90	
39,234.27		39,215.79	568.63	
39,215.79	2,431.38	37,441.60	542.90	
37,441.60	2,321.38		672.79	
46,399.07	2,876.74	46,399.07	58.82	
4,056.47	251.50	4,056.47	550.21	
	5 5 5 5 5 5	37,945.82		
37,945.82	0.004.64	37,009.82	535.64	
37,009.82		45,027.94	652.91	
45,027.94	2,791.73		536.50	
36,999.82	2 202 00	36,999,82	333.28	
22,984.52	4 425 04	22,984.52	550.74	
·	0.054.07	37,981.82		
37,981.82	0.500.00	43,327.32	628.25	
43,327.32	2 642 46	42,615.34	617.92	
42,615.34	2,642.15	39,231.17	568.85	
39,231.17			568.90	
39,234.27	0.429.69	39,234.27	550.21	
	2 250 64	37,945.82	543.14	
37,945.82	0.200.44	37,458.27	543.14	
37,458.2	2.522.41	· •	•	
•		43,013.57	623.70	
43,013.5	7 2,666.84	· · · · · · · · · · · · · · · · · · ·	110.35	
7,610.0		7,610.00	535.25	
	3.300.00	36,913.82		
35,913.8		37,871.57	549.14	
37,871.5	, 407.70	38,833.82	563.09	
38,833.8	2 2,407.70	38,645.82	560.36	
38,645.8	2 2,396.04	30,043.02	•	
•	•		275.64	
19,009.5	1,178.59	19,009.51	1,281.62	
·	T 460 03	88,387.61		
88,387.6	''	18,775.51	272.24	
18,775.5		39,234,27	568.90	
39,234.2	2,432.52	37,945.82	550.21	
37,945.8	2,352.64		567.85	
39,162.2		39,162.27	CCE EA	
	0.440.00	39,009.69	53R 73	
39,009.6	- 500 ft	37,153.82	538.73	
37,153.	V2	45,407.22	658.40	
45,407.	22 2,815.25	40,122.27		
40,122	27 2,487.58		540.92	
37,918.		37,918.94	່	
		36,301,82	J20,30	
36,301.	0.4		-	
-		18,565.5	269.20	
18,565.	51 1,151.06	20.200.20		
38,208			665.16	
45,872		45.872.9	660.70	
	0.303.00			
38,123	4 000 04		5 300.81	
20,745	.00	46 440 9	5 263.04	
18,140	.85 1,124.73	7 750 5		
22,750	- 140 63	22,750.5	£ 50.08	
22,130	0.050.00		0 3 550.21	
37,936		37,945.8		

20V 1	BOX 4	BOX 5	BOX 6	1
BOX 3	Social Security Tax W/H	Medicare Wages	Medicare Tax W/H	
ocial Security Wages	1,290.90	20,820,93	301.90	
20,820.93	2,195.20	35,406.40	513.39	_
35,406,40	2,432.52	39,234.27	568.90	
39,234.27	2,432.52	39,234.27	588.90	_
39,234.27	2,456.33	39,618.27	574,46	_
39,618.27	3,251.17	52,438.27	760.35	_
52,438,27		37,945.82	\$50.21	
37,945.82	2,352.64	38,442.27	557.41	:
38,442.27	2,383.42	37,927.82	549.95	
37,927.82	2,351.52		568.76	-
39,224.91	2,431.94	39,224.91	617.61	-
42,593.57	2,640.80	42,593.57	617.03	•
42,553.97	2,638.35	42,553.97	556.30	-
38,365.82	2,378.68	38,365.82	581.77	
40,122.27	2,487.58	40,122.27	268.94	
·	1,149.95	18,547.63		_
18,547.63	2,242.53	36,169.82	524.46	
36,169.82	1,151.06	18,565.51	269.20	_
18,565.51		52,478.27	760.93	-
52,478.27	3,253.65	40,547.49	587.94	-
40,547.49	2,513.94	39,234.27	568.90	•
39,234.27	2,432.52		525.69	-
36,254.60	2,247.79	36,254.60	568.90	•
39,234.27	2,432.52	39,234.27	568.90	-
39,234.27	2,432.52	39,234.27	549,95	-
37,927.82	2,351.52	37,927.82	543.14	
37,458.27	2,322.41	37,458.27	537.16	
	2,296.84	37,045.82		
37,045.82	2,352.64	37,945.82	550.21	-
37,945.82	2,864.35	46,199.22	669.89	_
46,199.22		36,169.82	524.46	_
36,169.82	2,242.53	18,547.63	268.94	_
18,547.63	1,149.95	19,009.51	275.64	•
19,009.51	1,178.59	42,593.57	817.61	•
42,593.57	2,640.80		574.99	•
39,654.27	2,458.56	39,654.27	550.08	
37,936.70	2 252 00	37,936.70	541,49	
37,343.82		37,343.82	663.40	
45,751.48		45,751.48	568.90	
	0.420.63	39,234.27	617.92	
39,234.27	0.540.45	42,615.34		
42,615.34	2 224 28	37,441.60	542.90	
37,441.60	2 224 20	37,441.60	542.90	
37,441.60	2 220 27	37,730.14	547.09	
37,730.1	2,339.27	37,516.35	543.99	
37,516.3	2,326.01	37,552.60	544.51	
37,552.6	2,328.26	38,183.55	553 66	
38,163.5	5 2,367.38	30,105.55	•	
	-	-		
	•	20.000	556.02	
38,346.2	7 2,377.47	38,346.27		
-	•	-	•	
	-	٠	•	
•	-	•	436.97	
י פלה מפ	n 1,876.96	30,273.60	550.92	
30,273.6		37,994.53	567.13	
37,994.5	0.404.00	39,112.61		
39,112.0	2,424.39	-	•	
	•	-	-	
-	-	-	•	
-	-	_	•	
-	-	-	-	
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-	-	•	-	
	-	•	•	
_	•	•		
		<u>.</u>	282.88	
19,508	a ₃ 1,209,55	19,508,93	278 23	
		19,188.53	271.87	
19,188	4 400 40			
18,749			2 256.38	
17,681	.16	40 440 0	3 266.96	
18,410		40 400 0	3 282.62	
19,490	.93 1,208.44	40.063.7		
19,252	.73 1,193.61	10.047.7	27/31	
		18.917.7	277 11	
18,917	4 404 04	9 19,111.1	0 204.46	
18,917 19,111	1.184.89	106170	5 284.46	
18,917	16 1,184.86 95 1,216.3	1 19,617.9	5 284.46 5 279.43	

BOX 3	BOX 4	BOX 5	BOX 6	•
ocial Security Wages	Social Security Tax W/H	Medicare Wages	Medicare Tax W/H	
19,589.05	1,214.52	19,589.05	284.04 285.28	
19,674,48	1,219.82	19,674,48	279.29	
19,261.25	1,194.20	19,261.25	282.79	-
19,503.06	1,209,19	19,503.06	299.76	•
20,673.25	1,281.74	20,673.25	285.33	
19,678.19	1,220.05	19,678.19	277.78	•
19,157,00	1,187.73	19,157.00	259,78	
17,915.69	1,110.77	17,915.69	283.78	-
19,571.05	1,213,41	19,571.05	299.23	-
20,636.53	1,279,46	20,636.53	531.69	•
36,688.23	2,273.43	36,668.23	288.75	
19,913.95	1,234.66	19,913.95	1,569.64	(18,250.7)
90,000.00	5,580.00	108,250.72	335.55	•
23,141.19	1,434.75	23,141,19	282.62	-
19,490.93	1,208.44	19,490.93	267.91	
18,476.29	1,145.53	18,476.29	271.17	
18,701.72	1,159,51	18,701.72	271.61	
18,731.77	1,161.37	18,731.77	265.09	-
18,281.77	1,133.47	18,281.77	278.88	•
19,232.88	1,192.44	19,232.88	267.87	-
18,473.72	1,145.37	18,473.72	271.87	-
18,749.77	1,162.49	18,749.77	271.67 354.76	
24,466,18	1,516.90	24,466.18	290.23	-
20,016.20	1,241.00	20,016.20	290.23	
13,843.15	658.28	13,843.15	278.88	
19,232.88	1,192.44	19,232,88	352.85	-
24,334.18	1,508.72	24,334.18	268.54	
18,519.73	1,148.22	18,519.73	282.47	
19,480.73	1,207.81	19,480.73	271.47	
18,722.29	1,160.78	18,722.29	273.52	
18,863.45	1,169.53	18,863.45	281.75	
19,430.93	1,204.72	19,430.93	271.89	
18,750.71	1,162.54	18,750.71	267.25	
18,430.73	1,142.71	18,430.73	273.59	
18,868.31	1,169.84	18,868.31	351.34	
24,229.85	1,502.25	24,229 85	268.23	
18,498.30	1,146.89	18,498.30	287.77	
19,845.97	1,230.45	19,845.97	279.14	
19,250.88	1,193.55	19,250.88	271.87	
18,749.77	1,162.49	18,749.77	267.18	
18,425.93	1,142.41	18,425.93	285.66	
19,700.93	1,221.46	19,700.93	274.92	
18,959.77	1,175.51	18,959.77	329.83	
22,747.18	1,410.33	22,747.18	279,14	
19,250.88	1,193.55	19,250.88	265.52	
18,311.77	1,135.33	18,311.77	265.52 271.61	
18,731.77	1,161.37	18,731.77	221.91	
15,304.25	0.46.00	15,304.25	282.21	
19,462.73	* ****	19,462.73	274.17	
18,908.24		18,908.24	273.48	
18,860.45	4 400 25	18,860,45	289.06	
19,934.93		19,934.93	298.27	
20,570.53	4 435 67	20,570.53	279.00	
19,241.40	4 405 07	19,241.40	267.25	
18,430.73		18,430.73	267.25 269.71	
18,600.53		18,600.53	209.71	
18,749.77		18,749,77	262.62	
19,490.93		19,490.93	279.39	
19,268.3	1,194.64	19,268.33	259.85	
17,920.8		17,920.81	271.87	
18,749.7		18,749.77	20.200	
19,508.9	3 1,209.55	19,508.93	006.97	
20,405.0	4 000 44	20,405.00	201.02	
19,442.8	4.005.45	19,442.88	204 61	
17,559.0		17,559.08	002.62	
19,490.9	4 600 14	19,490.93	270.60	
19,281.4		19,281.47	201.15	
19,389.6	1 000 40	19,389.67	200 20	
19,951.9	4 607 60	19,951.95	7 974 97	
	1 100 10	18,749.77		
18,749.7			271.61	
18,731.7	1	12,972 80		
12,972.8			3 282.88	
19,508.9			281.55	

BOX 3 18,716.88 19,424.88 9,408.00 22,497.29 18,411.77 18,411.77 18,211.69 19,462.73 20,207.41 18,773.77 21,600.90 18,015.60 21,905.73 19,069.19 19,424.88 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97 19,210.91	BOX 4 Social Security Tax W/H 1,160,45 1,204,34 583,30 1,394,83 1,141,53 1,141,53 1,129,12 1,206,69 1,252,86 1,163,97 1,339,26 1,116,97 1,358,16 1,182,29 1,204,34 1,182,70	BOX 5 Medicare Wages 18,716.88 19,424.88 9,408.00 22,497.29 18,411.77 18,211.69 19,462.73 20,207.41 18,773.77 21,600.90 18,015.60 21,905.73 19,069.19 19,424.88	Medicare Tax W/H 271.39 281.66 136.42 326.21 266.97 266.97 264.07 282.21 293.01 272.22 313.21 261.23 317.63 276.50	
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18,411.77 18,411.77 18,211.69 19,462.73 20,207.41 18,773.77 21,600.90 18,015.60 21,905.73 19,069.19 19,424.88 19,075.73 18,923.77 18,754.89 18,764.89 18,663.97	1,141.53 1,141.53 1,129.12 1,206.69 1,252.66 1,163.97 1,339.26 1,116.97 1,358.16 1,182.29 1,204.34 1,182.70	18,411.77 18,411.77 18,211.69 19,462.73 20,207.41 18,773.77 21,600.90 18,015.60 21,905.73 19,069.19	266.97 264.07 282.21 293.01 272.22 313.21 261.23 317.63	
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20,207.41 18,773.77 21,600.90 18,015.60 21,905.73 19,069.19 19,424.88 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,252.86 1,163.97 1,339.25 1,116.97 1,358.16 1,182.29 1,204.34 1,182.70	18,773.77 21,600.90 18,015.60 21,905.73 19,069.19	272.22 313.21 261.23 317.63	
18,773.77 21,600.90 18,015.60 21,905.73 19,069.19 19,424.88 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,163,97 1,339,26 1,116,97 1,358,16 1,182,29 1,204,34 1,182,70	18,773.77 21,600.90 18,015.60 21,905.73 19,069.19	313.21 261.23 317.63	-
21,600,90 18,015.60 21,905.73 19,068.19 19,424.88 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,339.26 1,116.97 1,358.16 1,182.29 1,204.34 1,182.70	21,600.90 18,015.60 21,905.73 19,069.19	261.23 317.63	- •
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21,905.73 19,069.19 19,424.68 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,182.29 1,204.34 1,182.70	19,069 19		
19,069.19 19,424.68 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,182.29 1,204.34 1,182.70		210.30	-
19,424 88 19,075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,204.34 1,182.70	19,424.88		_
19.075.73 18,923.77 18,754.89 18,754.89 18,663.97	1,182.70		281,6G	
18,923.77 18,754.89 18,754.89 18,663.97		19,075.73	276.60	•
18,754.89 18,754.89 18,663.97		18,923.77	274.39	
18,754.89 18,663.97	1,173.27		271.95	•
18,754.89 18,663.97	1,162.80	18,754.89	271.95	•
18,663.97	1,162.80	18,754.89		
	1,157.17	18,663.97	270 63	
10 210 01	1,191.08	19,210.91	278.56	
		19,676.88	285,31	-
19,67 6 .88	1,219.97	18,807.73	272.71	-
18,807.73	1,166.08		285.66	-
19,700.93	1,221.46	19,700.93	285.66	-
19,700.93	1,221.46	19,700.93	282.21	
19,462.73	1,206.69	19,462.73		
-	1,185.50	19,121.00	277.25	
19,121.00	1,143.03	18,435.97	267.32	
18,435,97	1,094.99	17,661,14	256.09	_
17,661.14		19,452.71	282.06	
19,452.71	1,206.07	19,180.89	278.12	•
19,180.69	1,189.22		283.98	•
19,584.85	1,214.26	19,584.85	294.30	-
20,296.33	1,258.37	20,296,33	296.01	-
20,414.67	1,265.71	20,414.67	329.83	-
	1,410.31	22,746.95		_
22,746.95	1,367.87	22,062.36	319.90	_
22,062,36		19,252,73	279.16	-
19,252.73	1,193,67	18,941.77	274.66	•
18,941.77	1,174.39		282.62	
19,490.93	1,208.44	19,490.93	268.39	-
18 509.72	1,147.60	18,509.72	279.13	
	1,193.51	19,250.09		
19,250.09	1,209.55	19,508.93	282.88	
19,508.93	1,230,44	19,845.79	287.76	
19,845.79		18,665.72	270.65	
18,665.72	1,157.27	21,330.82	309.30	
21,330.82	1,322.51		210.22	
14,497.64	898.85	14,497.64	276.43	
19.064.28	1,181.99	19,064,28	284.01	
19,586.59	1,214.37	19,586.59	274.31	
	1,172.90	18,917.72		
18,917.72	1,307.74	21,092.62	305.84	
21,092.62		22,360.19	324.22	
22,360.19	1,386.33	18,220.89	264.20	
18,220.69	1,129.70	19,934.93	289.06	
19,934.93	1,235.97		279.16	
19,252.73	1,193.67	19,252.73	299.84	
20,678.53	1,282.07	20,678.53	281.94	
	1,205,52	19,443.89		
19,443.89	1,247.18	20,115.80	291.68	
20,115.80	1,111.87	17,933.45	260.04	
17,933.45	4 470 46	18,974.93	275.14	
18,974.93		18,731,77	271.61	
18,731.77	1,161.37	19,205.75	278,48	
19,205.75	1,190.76		00.000	
19,508.93		19,508.93	000.60	
19,490.93		19,490.93	202.26	
		20,231.89	201 27	
20,231.89	4 202 CC	19,397.75	281.27	
19,397.79		18,364.73	266,29	
18,364.73		19,460.33		
19,460.33	1,206.54			
19,442.33	1,205.42	19,442.33	440 03	
28,753.94		28,753.94	070.74	
	4 457 04	18,671.69	70 10	
18,671.69	174 77	5,392.20	78.19	
5,392.20	4 200 10	19,357.97	7 280.69	
19,357.9	7 1,200.19	18,731.77		
18,731.7	7 1,161.37 7 1,173.27	18,923.77		

BOX 3	BQX 4	BOX 5	BOX 6	l
Social Security Wages	Social Security Tax W/H	Medicare Wages	Medicare Tax W/H	-
18,749,77	1,162.49	18,749.77	271.87	_
18,941.77	1,174,39	18,941.77	274.66	_
19,464.58	1,206.80	19,464,58	282.24	
9,336.00	578.83	9,336.00	135.37	
19,685.78	1,220.52	19,685.78	285.44	
19,303.96	1,196.85	19,303.96	279.91	
19,666,73	1,219.34	19,665.73	285.17	
18,941.77	1,174,39	18,941.77	274.66	1
	1,209.55	19,508.93	282.88	* 1
19,508.93	1,205.52	19,443.89	281. 94	•
19,443.89	1,194.79	19,270.73	279.43	· 1
19.270.73	1,151.37	18,731.77	271.61	- 1
18,731.77	1,039.54	16,766.82	243.12	- 1
16,766,82	1,172.31	18,908.24	274.17	- 1
18,908.24		19.512.88	282.94	- }
19,512.88	1,209.80	18,665.72	270,65	-
18,665.72	1,157.27	18,749.77	271.87	-
18,749,77	1,162.49	18,965.99	275.01	· 1
18,965.99	1,175.89	19,462,73	282.21	
19,462.73	1,206.69	11,630.63	168 64	
11,630.63	721.10	19,508.93	282.88	- 1
19,508.93	1,209.55	19,576.34	283.86	- !
19,576.34	1,213.73		278.74	- 1
19,223.40	1,191.85	19,223.40 19,223.40	276.74	- 1
19,223.40	1,191.85		282.62	- '
19,490.93	1,208.44	19,490.93	280.32	•
19,332.41	1,198.61	19,332.41	271.87	·
18,749.77	1,162.49	18,749.77	211.01	
				Tetal for all Residents with FICA
	1,537,357.97	24,916,730.25	361,292.31	Wages
24,796,100-48	1,337,577			Mass.
				(Less: Residents that filed their
			s -	
s - !	s -	s -		own claim)
	\$ 1,537,357.97	S 24,916,730.25	\$ 361,292.31	Net FICA Claim Amount
\$ 24,796,100.48	\$ 1,537,357.97	<u> </u>		
				1
Social Security Box 3				Co. Con Tax Adjustment
	Wages per 2005 941s	1/4 of Box 3 total above	Corrected Wages	Soc. Sec. Tax Adjustment
<u>Quarter</u>		6,199,025.12	98,216,866.04	768,679.11
lst	104,415,891.16		111,623,686.65	
2nd	117,822,711.77	6,199,025.12	90,693,151.24	7/0/10 1
3rd	96,892,176.36	6,199,025.12	the same of the same ways are a first and a second	240 470 1
4th	108,767,029.29	6,199,025.12	102,568,004.17	2.074.714.4
411	427,897,808.58	24,796,100.48	403,101,708.10	3,074,716.4
	427,837,806.30		Rounding Difference	(0.5
			US	
		Lagranian and a second		en en en en en en en en en en en en en e
		1	p	
Medicare Box 5			<u> </u>	
	Wages per 2005 941s	1/4 of Box 5 total above	Corrected Wages	Medicare Tax Adjustment
Quarter			105,324,228.8	7 180,646.
lst	111,553,411.43	6,229,182.56	124,755,579.2	100 (16)
2nd	130,984,761.82	6,229,182.56	i	100 546
3rd	111,499,239.10	6,229,182.56	105,270,056.5	100 146
	130,477,598.19		124,248,415.6	
4th	the second secon	0.01673036	459,598,280.2	722,585.
	484,515,010.54	44,710,130.23	Rounding Different	
		4		SE 722,584.
		<u> </u>	ļ	
	.,	1		nd \$ 3,797,300.
			Amount requested as refu	nd \$ 3,797,300.

EXHIBIT 2

Form 941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund Department of the Treasury — Internal Revenue Service (EIN) Return You Are Correcting ... Employer identification number 7805 Check the type of return you are correcting: X 941 University Hospitals of Cleveland Name (not your trade name) 941-SS Trade name (if any) University Hospitals Case Medical Center Check the ONE quarter you are correcting: Address 11100 Euclid Avenue 1: January, February, March Sure or room number Number 2: April, May, June Cleveland 44106 оню State ZIP code City 3; July, August, September Use this form to correct errors you made on Form 941 or 941-SS for one quarter only. 4: October, November, December Type or print within the boxes. You MUST complete all three pages. Read the instructions before completing this form. Do not attach this form to Form 941 or 941-SS. Enter the calendar year of the quarter Part 1: Select ONLY one process. you are correcting 2006 1. Adjusted employment tax return. Check this box if you underreported amounts. Also check this box if you overreported amounts and you would like to use the adjustmentprocess to correct the errors. You must check this box if you are correcting both underreported and overreported amounts on this form. The amount shown on line 18, if Enter the date you discovered errors: less than 0, may only be applied as a credit to your Form 941, Form 941-SS, Form 944. or Form 944-SS for the tax period in which you are filing this form. 04/30/2006 (MM / DD / YYYY) X 2. Claim. Check this box if you overreported amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 18. Do not check this box if you are correcting ANY underreported amounts on this form. Part 2: Complete the certifications. X 3. I certify that I have filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required. Note. If you are correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. 4. If you checked line 1 because you are adjusting overreported amounts, check all that apply. You must check at least one box. J certify that a. I repaid or reimbursed each affected employee for the overcollected federal income tax for the current year and the overcollected social security and Medicare tax for current and prior years. For adjustments of employee social security and Medicare tax overcollected in prior years, I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. b. The adjustment of social security tax and Medicare tax is for the employer's share only. I could not find the affected employees or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. c. The adjustment is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages. 5. If you checked line 2 because you are claiming a refund or abatement of overreported employment taxes, check all that apply. You must check at least one box. I certify that: a. I repaid or reimbursed each affected employee for the overcollected social security and Medicare tax. For claims of employee social security and Medicare tax overcollected in prior years, I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. X b. I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security and Medicare tax. For refunds of employee social security and Medicare tax overcollected in prior years, I also have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or c. The claim for social security tax and Medicare tax is for the employer's share only. I could not find the affected employees; or each employee did not give me a written consent to file a claim for the employee's share of social security and Medicare tax; or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. d. The claim is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages. Next -

	Correcting quarter 1 (1.2.3.4 Correcting calendar year (YYYY)
7805	2006
ter. If any line does not apply, leave it blank.	
nn 1 Column 2 Column 3	Column 4
Amount originally Difference orrected reported or as (if this amount is a (for ALL	r, Tax correction
you prepare	Use the amount in Column 1 when you prepare your Forms W-2 or Forms W-2c
Copy Column 3 here +	Copy Column 3 here +
3,494.61 - 115,671,441.20 = -6,077,946.59 X .124	59 X .124 " =
	X .124 * = Dur employer share only, use 062 See instructions
	.59 X .029 * = .176,260.45 our employer share only, use 0145 See a struction
Copy Cok	Copy Cokurn 3 here *
_ = See instruction	See instructions
_ = See instruction	Sea instructions
See enstruction	See instructions
14	-929,925.83
= See instruction	See instructions
See nstruction	See nstructions
_ =	
nd 17a of Column 4	-929,925.83
rou want applied as a credit to your Form 941 or Form 941-SS for the to currently filing a Form 944 or Form 944-SS, Employer's ANNUAL Fede rou want refunded or abated.	1-SS for the tax period in NNUAL Federal Tax Return,
rou want applied as a credit to your Form 941 or Form 941-SS for the ta currently filing a Form 944 or Form 944-SS, Employer's ANNUAL Fede	MANOUT CACION (OX

Name (not your trade name)		Employer identification number (EIN)	Correcting quarter 1 (1, 2, 3, 4) Correcting calendar year (YYYY)
University Hospitals of Cley	veland	7805	2006
Part 4: Explain your co	orrections for this quarter.		
19. Check here if any Explain both your	y corrections you entered on a line incluunderreported and overreported amounts	ude both underreported and ove on line 21.	rreported amounts.
_	y corrections involve reclassified works		
	s a detailed explanation of how you det	ermined your corrections. See the	ne instructions.
The negative amount	t represents a claim for a refund.		
Taxpayer claims inte	rest as allowed by law on said refund, and	a refund of any paid interest relat	ed to overpaid tax.
See the attached Ad	dendum to Form 941-X for a statement of	the basis of the instant refund clai	m.
A Form 8275-R disc	losure statement is also attached.		
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Under penalties of perjury, I dec	lare that I have filed an original Form 941 or Form 941- tatements, and to the best of my knowledge and bekef.	SS and that I have examined this adjusted in they are true correct, and complete. Declare	aturn or claim, including ation of preparer (other
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Page 3

Employer Appointment of Agent OM8 Number Form 2678 Under Section 3504 of the Internal Revenue Code 1545-0748 (Rev. June 1997) (For use by employers or payers) Instructions Internal Revenue Service Center 1 (6 Employer or Payer: Please complete Ogden, UT 84201-0046 this form and give it to the agent Agent: Please attach a letter requesting authority to do either all that is required of the employer for wages you pay on the Director employer's behalf or all that is required of Ogden, UT Service Center the payer for requirements of backup withholding. (See applicable Revenue Procedures 70-6 or 84-33.) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your Note: Rev. Proc. 70-6 is available to Publication 1271 and Rev. Proc. 84-33 is available returns. (See reverse side for addresse) in Publication 1272. 3. Employer's or Payer's address (Number and street, city, town or post office is an 2 Employer's or Payer's name and ZIP code) Un-versity Hospitals of Cleverand 11100 Euclid Avenue Cleveland, OH 44106 a Employer identification number 7805 6. Agent's address (Number and street city, town or post office, State and 7th coa-5 Agent's name 11100 English Avenue EOBB 151 Printly Hospitals Hand at Cleveland, OH 44106 Agent's employer identification number 4775 10. Effective date of appointment by 9. If filing under Rev Proc Effective for (Check the box or boxes that apply) employer or payer 70-6, does this apply to Employment taxes (Nov Proc. 49-6) all employees? Backup withholding (Rov Pace & 13) April 1, 2003 X Yes No Date Signature of employer or payer ander section 3504 of the Internal Revenue Code, prease authorize this agent to do all that is required under (Check the one(s) that apply) Title of signifig official (Indicate whether the person signing is on own Chapter 21 (FICA) partner, member of firm, tichiciary, or a corporate officer.) Chapter 22 (Railroad Remember) 🕮 Chapter 24 — Kevin Roberts, Sr. Vice President and t X Withholding and/or Backup withholding Chapter 25 (General Provisional of Subtifile C The agent named above has been appointed aither to pay wages for employers and/or report and calxisit backup withholding amounts for payers This appointment is effective on the daily shown

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For Internal Revenue Service Use Only

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ADDENDUM TO FORM 941-X

I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the first calendar quarter of 2006, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the first quarter of 2006. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university... if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra — each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation - a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Form : 8275-R

Regulation Disclosure Statement

OMB No. 1545-0889

(Rev. August 2008)

Use this form only to disclose items or positions that are contrary to Treasury regulations. For other disclosures, use Form 8275, Disclosure Statement. See separate instructions.

Sequence No. 92A

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Form 8275-R (Rev 8-2008)

Internal Revenue Service Center where the pass-through entity

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#### ADDENDUM TO FORM 941-X

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orm 941-X: Adjusted Employer's QUARTERLY Federal Tax  Rev. June 2009)  Department of the Treasury — Internal Revenue Service	Return or Claim for Refund
(EIN) Employer identification number 7805	Return You Are Correcting Check the type of return you are correcting:
Name (not your trade name) University Hospitals of Cleveland	X 941
Trade name (if any) University Hospitals Case Medical Center	Check the ONE quarter you are correcting:
Address 11100 Euclid Avenue Suite or room number	1: January, February, March
Number Silveri	X 2: April, May, June
City State ZIP code	3: July, August, September
Use this form to correct errors you made on Form 941 or 941-SS for one quarter only.  Type or print within the boxes. You MUST complete all three pages. Read the	4: October, November, December
instructions before completing this form. Do not attach this form to Form 941 or 941-55.	Enter the calendar year of the quarter you are correcting:
Part 1: Select ONLY one process.	
1. Adjusted employment tax return. Check this box if you underreported amounts. Also check this box if you overreported amounts and you would like to use the adjustment process to correct the errors. You must check this box if you are correcting both underreported and overreported amounts on this form. The amount shown on line 18, if less than 0, may only be applied as a credit to your Form 941, Form 941-SS, Form 944, or Form 944-SS for the tax period in which you are filing this form.	Enter the date you discovered errors:  07/31/2006 (MM/ DD / YYYY)
X 2. Claim. Check this box if you overreported amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 18. Do not check this box if you are correcting ANY underreported amounts on this form.	THE SECTION OF THE SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SECTION SEC
Part 2: Complete the certifications.	N. Za. Corrected Wage and Tax
X 3. I certify that I have filed or will file Forms W-2, Wage and Tax Statement, or Forms V Statement, as required.	
Note. If you are correcting underreported amounts only, go to Part 3 on page 2 and skip lines  4. If you checked line 1 because you are adjusting overreported amounts, check all the	hat apply. You must check at least one box.
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a. I repaid or reimbursed each affected employee for the overcollected federal income tax overcollected social security and Medicare tax for current and prior years. For adjustment Medicare tax overcollected in prior years, I have a written statement from each amploys claimed (or the claim was rejected) and will not claim a refund or credit for the overcollected.	ee stating that he or she has not ection.
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c. The adjustment is for federal income tax, social security tax, and Medicare tax that I di	d not withhold from employee wages.
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Unive	ersity Hospitals of Cleveland			7805			2006
Pa	art 3: Enter the corrections for t	his quarter. If any	line does	not apply, lea	ve it blank.		
		Column 1		umn 2	Column 3		Column 4
		Total corrected amount (for ALL employees)	Amount o reported ( - previously (for ALL e	or as	Difference (If this amount is a negative number, use a minus sign.)		Tax correction
	Wages, tips and other compensation (from line 2 of Form 941)		_	= [		Use the amount in you prepare your or Forms W-2c	
	Income tax withheld from wages, tips, and other compensation (from line 3 of Form 941)		-	=		Copy Column 3 here ▶	
8.	Taxable social security wages (from line 5a, Column 1 of Form 941 or Form 941-SS)	121,110,326.15	_ 128,1	194,414.77 =	-7,084,088.62	X .124 * =	-878,426.99
9.	Taxable social security tips (from line 5b, Column 1 of Form 941 or Form 941-SS)		-	=	"If you are correcting your or	X 124 = nployer share only.	use 062. See instructions
10.	Taxable Medicare wages and tips (from line 5c, Column 1 of Form 941 or Form 941-SS)	133,340,703.54	_ 140,	486,083.41 =	-7,145,379.87 *If you are correcting your ea	X 029 " = mployer share only,	-207,216.02 use 0145 See instructions
11.	Tax adjustments (from lines 7a through 7c of Form 941or Form 941-SS)			=		Copy Column 3 here	
12.	Special addition to wages for federal income tax		-	=		See instructions	
13.	Special addition to wages for social security taxes		] - [	=		See instructions	
14.	Special addition to wages for Medicare taxes		] - [	=		See instructions	
15.	Combine the amounts on lines 7-14	of Column 4					-1,085,643.01
16.	Advance earned income credit (EIC) payments made to employees (from Form 941, line 9)		]-[	=	:	See instructions	
17a	. COBRA premium assistance payments (from line 12a of Form 941 or 941-SS)					See Instructions	
17b	Number of individuals provided COBRA premium assistance (from line 12b of Form 941 or 941-SS)		-	=	=		
18.	Total. Combine the amounts in line	es 15, 16, and 17a of C	Column 4 .				-1,085,643.01
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Page 2

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versity Hospitals of Clev	reland orrections for this quarter.	7000	
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See the attached Ac	Idendum to Form 941-X for a statement of	the basis of the instant refund cla	m.
A Form 8275-R disc	losure statement is also attached.		
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	lote all three pages of this	form and sign it.	
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Page 3

Employer Appointment of Agent OMB Number Form 2678 1545-0748 Under Section 3504 of the Internal Revenue Code (Revi)une 1997) (For use by employers or payers) Instructions Internal Revenue Service Center i lo Employer or Payer: Please complete Ogden, UT 84201-0046 this form and give it to the agent Agent: Please atlach a letter requesting authority to do either all that is required of the employer for wages you pay on the Director employer's behalf or all that is required of Ogden, UT____Service Center the payer for requirements of backup withholding. (See applicable Revenue Procedures 79-6 or 84-33 ) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your Note: Rev. Proc. 70-6 is available in Publication 1271 and Rev. Proc. 84-33 is available returns. (See reverse side for addresses.) in Publication 1272. 3. Employer's or Player's address (Number and street, city, town or post office. State 2 Employer's or Payer's name and ZIP code) University Hospitals of Cleveland 11100 Euclid Avenue Cleveland, OH 44106 4 Employer identification number 7805 Agent's address (Number and street, city, lown or post office, State and ZIP acces) 5. Agent's name 11100 Euclid Avenue-ROBB 151 THESELY HOSPICALS Harden Branch, inc. Cleveland, OH 44106 Agent's employer identification number 10 Effective date of appointment by 9. If filing under Rev. Proc. Effective for (Check the box or boxes that apply) employer or payer 70-6, does this apply to Employment taxes (Rev. Proc. 70-6) all employees? ∐No ☐ Backup withholding (Rev. Prcc. 34-33) April 1, 2003 [X] Yes Date Signature of employer or payer Under section 3504 of the internal Revenue Code, please authorize this agent to do all that is required under (Check the one(s) that apply) Title of signing official (Indicate whether the person signing is an owner Chapter 21 (FICA) partner, member of firm, fiduciary, or a corporate officer.) Chapter 22 (Raissas Retrement) Chapter 24 -Kevin Rocests, Sr. Vice President and Cro Withholding and/or Backup withholding Chapter 25 (Geograf Provisions) of Subtille C The agent named above has been appointed either to pay wages for employers and/or report and deposit backup withholding amounts for payers This appointment is effective on the date shown in uem 10 it is understood that the agent and the employer For Internal Revenue Service Use Only or payer are subject to all provisions of law and

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# **ADDENDUM TO FORM 941-X**

#### I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the second calendar quarter of 2006, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the second quarter of 2006. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

# II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

#### III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

# IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university. . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found, for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Cir., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under U.S. v. Correll, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

#### CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Form 8275-R

# Regulation Disclosure Statement

(Rev. August 2008)

Use this form only to disclose items or positions that are contrary to Treasury regulations. For other disclosures, use Form 8275, Disclosure Statement.

See separate instructions.

OMB No. 1545-0889

Attachment Sequence No. 92A

identifying number shown on return

Department of the Treasury Internal Revenue Service

Attach to your tax return.

Name(s) shown on return 7805 University Hospitals of Cleveland General Information (see instructions) (e) (c) (b) Form or **Detailed Description** Amount Item or Group Schedule No. Regulation Section of items of Items Stipends paid to medical residents and fellows are not 1 31.3121(b)(10)-2 FICA Wages 941-X AMOUNT * Social Security or Medicare wages 5 6 **Detailed Explanation** (see instructions) Part II 1 * or such greater amount to which taxpayer is entitled, plus any interest thereon, plus statutory interest as provided by law. This Form 8275-R relates to the second quarter of 2006. 2 See attached Addendum to Form 941-X for a statement of the basis of the instant refund claim.

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership. S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity

Name

Address
City
State

ZIP code

2 Identifying number of pass-through entity

1 Tax year of pass-through entity

1 Internal Revenue Service Center where the pass-through entity

filed its return

For Paperwork Reduction Act Notice, see separate instructions.

Form 8275-R (Rev 8-2008)

# Case 1:10-cv-00760-FMA Document 1 Filed 11/05/10 Page 101 of 163

Form 8275-R (	Rev. 8-2009)	University Hospitals of C	Dieveland	7805	Page <b>2</b>
Part IV	Explanations (continu	ued from Parts I and/or II,			
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Form 8275-R (Rev. 8-2008)

# **ADDENDUM TO FORM 941-X**

#### I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the second calendar quarter of 2006, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the second quarter of 2006. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

#### II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

#### III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

# IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university... if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

# CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

50m 941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund OMB No. 1545-0029 Department of the Treasury — Internal Revenue Service Return You Are Correcting ... (EIN) 7805 Employer identification number Check the type of return you are correcting: X 941 Name (not your trade name) University Hospitals of Cleveland 941-SS Trade name (if any) University Hospitals Case Medical Center Check the ONE quarter you are correcting: Address 11100 Euclid Avenue 1: January, February, March Suite or room number Street Number 2: April, May, June ОНЮ 44106 Cleveland X 3: July, August, September Use this form to correct errors you made on Form 941 or 941-SS for one quarter only. Type or print within the boxes. You MUST complete all three pages. Read the 4: October, November, December instructions before completing this form. Do not attach this form to Form 941 or 941-SS. Enter the calendar year of the quarter Part 1: Select ONLY one process. you are correcting: 2006 (YYYY)1. Adjusted employment tax return. Check this box if you underreported amounts. Also 13 /2 20 (213) check this box if you overreported amounts and you would like to use the adjustment process to correct the errors. You must check this box if you are correcting both underreported and overreported amounts on this form. The amount shown on line 18, if Enter the date you discovered errors: less than 0, may only be applied as a credit to your Form 941, Form 941-SS, Form 944, or Form 944-SS for the tax period in which you are filing this form. 10/31/2006 (MM/DD/YYYY) [X] 2. Claim. Check this box if you overreported amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 18. Do not check this box if you are correcting ANY underreported amounts on this form. Part 2: Complete the certifications. X 3. I certify that I have filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required. Note. If you are correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. 4. If you checked line 1 because you are adjusting overreported amounts, check all that apply. You must check at least one box. I certify that: a. I repaid or reimbursed each affected employee for the overcollected federal income tax for the current year and the overcollected social security and Medicare tax for current and prior years. For adjustments of employee social security and Medicare tax overcollected in prior years, I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. b. The adjustment of social security tax and Medicare tax is for the employer's share only. I could not find the affected employees or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. c. The adjustment is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages. 5. If you checked line 2 because you are claiming a refund or abatement of overreported employment taxes, check all that apply. You must check at least one box. Licertify that: a. I repaid or reimbursed each affected employee for the overcollected social security and Medicare tax. For claims of employee social security and Medicare tax overcollected in prior years, I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection X b. I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security and Medicare tax. For refunds of employee social security and Medicare tax overcollected in prior years. I also have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. c. The claim for social security tax and Medicare tax is for the employer's share only. I could not find the affected employees, or each employee did not give me a written consent to file a claim for the employee's share of social security and Medicare tax; or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. d. The claim is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages

Name (not your frade name)			Employer iden	tification number (EIN)	Correcting quarter 3 (1, 2, 3, 4) Correcting calendar year (YYYY)		
Unive	rsity Hospitals of Cleveland			7805			2006
Pa	rt 3: Enter the corrections for the	nis quarter. If any	line does r	ot apply, lea	ve it blank.		
		Column 1	Colui		Column 3		Column 4
		Total corrected amount (for ALL employees)	Amount or reported or previously (for ALL en	corrected =	Difference (If this amount is a negative number, use a minus sign.)		Tax correction
c	Wages, tips and other compensation (from line 2 of Form 941)		-	=		Use the amount of you prepare your or Forms W-2c	Cotumn 1 when Fanns W-2
1	ncome tax withheld from wages, tips, and other compensation (from line 3 of form 941)		-	- [		Copy Columns 3 here >	
(	Taxable social security wages (from line 5a, Column 1 of Form 941-SS)	99,704,664.69	106,0	97,998.95	-6,393,334.26 "If you are correcting your en	X ,124 * =	-792,773,45 use 052 Size instructions
	Taxable social security tips (from line 5b, Column 1 of Form 941 or Form 941-SS)		-	=	*If you are correcting your en	X .124 * = nployershare only.	use D62, See instructions
,	Taxable Medicare wages and tips (from line 5c, Column 1 of Form 941 or Form 941-SS)	117,661,551.46	- 124,2	38,206.17 =	-6,576,654.71	X .029 * = nployer shere only	-190,722.99 use 0145 See instructions
	Tax adjustments (from lines 7a through 7c of Form 941or Form 941-SS)		-	=		Copy Column 3 here *	
	Special addition to wages for federal income tax		-	=		See instructions	
13.	Special addition to wages for social security taxes					See instructions	
14.	Special addition to wages for Medicare taxes			=		See Instructions	
15.	Combine the amounts on lines 7-14	of Column 4					-983,496.44
16.	Advance earned income credit (EIC) payments made to employees (from Form 941, line 9)		]-[		-	See instructions	
17a.	COBRA premium assistance payments (from line 12a of Form 941 or 941-SS)		]_[		3	See Instructions	
17b.	Number of individuals provided COBRA premium assistance (from line 12b of Form 941 or 941-SS)		-		_		000.000
18.	Total. Combine the amounts in line:	s 15, 16, and 17a of (	Column 4				-983,496.44
	If line 18 is less than 0:  If you checked line 1, this is the	e amount you want ap	oplied as a c	redit to your Fo	rm 941 or Form 941-S	S for the tax p	eriod in Tax Return,

- If you checked line 1, this is the amount you want applied as a credit to your Form 941 or Form 941-SS for the tax period in which you are filling this form. (If you are currently filling a Form 944 or Form 944-SS, Employer's ANNUAL Federal Tax Return see the instructions.)
- If you checked line 2, this is the amount you want refunded or abated.

If line 18 is more than 0, this is the amount you owe. Pay this amount when you file this return. For information on how to pay, see Amount You Owe in the instructions.

e (not your trade name)	Employer id	entification number (EIN)	Correcting quarter 3 (1, 2, 3, 4) Correcting calendar year (YYYY) 2006	
versity Hospitals of Cleveland	7805	5		
Part 4: Explain your corrections for this quarte	r			
19. Check here if any corrections you entered Explain both your underreported and overre	d on a line include both un ported amounts on line 21.	derreported and ove	rreported amounts.	
20. Check here if any corrections involve rec			ne instructions.	
21. You must give us a detailed explanation  The negative amount represents a claim for a		ui concentration		
Taxpayer claims interest as allowed by law on	said refund, and a refund of	any paid interest rela	ed to overpaid tax.	
See the attached Addendum to Form 941-X fo	r a statement of the basis of	the instant refund cla	im.	
A Form 8275-R disclosure statement is also a	ttached			
		*****************		
	**********************			
Part 5: Sign here: You must complete all three Under penalties of penury, I declare that I have filed an original Fi accompanying schedules and statements, and to the best of my I than taxpayer) is based on all information of which preparer has a	orm 941 or Form 941-SS and that it is knowledge and belief, they are true, o	ave examined this adjusted correct, and complete. Decla	return or claim, including	
Sign your name here Whished Q	hutali.	Paint neve	ael A. Szubski	
	<i>J</i> *	title here UHH	S Treasurer & CFO	
Date 4-15-10		Best daytime phone	[(216) 844-1000	
Paid preparer's use only	Check	if you are self-employed	1	
Preparer's name		Preparer's SSN/PTIN		
Preparer's signature		Date		
Firm's name (or yours if self-employed)		EIN		
Address		Phone		
	State	ZIP code		
City			Form <b>941-X</b> (Rev.	

Form 2678 (Rev. June 1997)

ga Garaga Salatan

Employer Appointment of Agent Under Section 3504 of the Internal Revenue Code

OM8 Number 1545-0748

(For use b)	y employers or payers)	
To Internal Revenue Service Ce	enter	Instructions
Ogden, UT 84201-0046		Employer or Payer: Please complete this form and give it to the agent
Director Ogden, UTService Center		Agent: Please attach a fetter requesting authority to do either all that is required of the employer for wages you pay on the employer's behalf or all that is required of the payer for requirements of backup withholding. (See applicable Revenue Procedures 70-6 or 84-33.) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your returns. (See reverse side for addresses)
te: Rev. Proc. 70-6 is available in Publication 1271 and in Publication 1272.		
Employer's or Payer's name	<ol> <li>Employer's or Payer's addr</li> </ol>	ess (Number and street, city, town or post office. Star
	and ZIP code:	
niversity Hospitals of Cleveland	11100 Euclid Ave	nue
Employer identification number	Cleveland, OH 44	106
7805		nd street, city, fown or post office, State and ZIP come
Agenl's name		
orversity Hospitals Health System, Inc.	1:100 Euclid Ave	nue-ROBB 151
Agent's employer identification number	Cleveland, OH 4	4106
4775		10. Effective date of appointment by
Effective for (Check the box or boxes that apply)	9. If filing under Rev. Proc. 70-6, does this apply to	embloket of baket
[X] Employment taxes (Rev. Proc. 70-6)	ali employees?	
Backup withholding (Rev. Proc. 84-33)	X Yas \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	April 1, 2003
Under section 3504 of the infernal Revenue Code, stease authorize this agent to do all that is required under (Check file one(s) that apply)	Signature of employer or	12/19/2
Chapter 21 (FICA) Chapter 22 (Radioad Retromont) Chapter 24 —	partner/member of him, fill	idicate whether the person signing is an owner, inclary, or a corporate officer) SEL Vice President Lind CEC
<ul> <li>X) Withholding and/or</li> <li>☐ Backup withholding</li> <li>Chapter 25 (General Proviscos) of Subtitle C</li> </ul>		
The agent named above has been appointed either to pay wages for employers end/or report and deposit backup withholding amounts for payers. This appointment is effective on the date shown in term 10.		
it is understood that the agent and the eniployer	For Intern	al Revenue Service Use Only
or payer are subject to all provisions of law and regulations (including penalies) which apply to employers or payers	Effective date granted by IRS	>

# ADDENDUM TO FORM 941-X

# I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the third calendar quarter of 2006, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the third quarter of 2006. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

# II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

# III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

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## IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Cir., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll.* 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

## CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Form 8275-R

# **Regulation Disclosure Statement**

Use this form only to disclose items or positions that are contrary to Treasury regulations. For other disclosures, use Form 8275, Disclosure Statement. See separate instructions.

Attachment Sequence No. 92A

OMB No. 1545-0889

Department of the Treasury Internal Revenue Service

(Rev. August 2008)

Attach to your tax return.

lame(s) shown on return	Olamata I			Identifyi	ng numi	7805
University Hospitals of Part I General I		ee instructions)				
(a) Regulation Section	(b) Item or Group of Items		(c) Detailed Description of Rems	(d) Form or Schedule	(e) Line No.	(f) Amount
1 31.3121(b)(10)-2	FICA Wages	Stipends paid to me Social Security or M	dical residents and fellows are not edicare wages.	941-X	18	AMOUNT *
2				-		
3				-		
4				-		
5				-		
6				·-		
Part II Detailed	Explanation (	see instructions)				
Form 8275-R relate 2 See attached Adde 3 4 5	ndum to Form 9	41-X for a statement of	of the basis of the instant refund cla	im.		
	tion About Pa		. To be completed by partners,	shareholder	s, ber	neficiaries, or
Complete this part of	only if you are m	aking adequate disc pership, S corporation	closure for a pass-through item, , estate, trust, regulated investmen estment conduit (REMIC).	t company (f	RIC), re	eal estate
1 Name, address,			2 Identifying number of pass-t	hrough entity	1	
Name			3 Tax year of pass-through er	ntity to		
Address City State	ZIP code		4 Internal Revenue Service C filed its return		the pa	ss-through entity
Foreign country			<u> </u>		Fo	rm 8275-R (Rev. 8-20

For Paperwork Reduction Act Notice, see separate instructions. (ATA)

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Form 8275-R (	(Rev. 8-2008)	University Hospitals of Cleveland	7805	Page 2
Part IV		ions (continued from Parts I and/or II)		
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				Form 8275-R (Rev. 8-200

# ADDENDUM TO FORM 941-X

#### I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the third calendar quarter of 2006, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the third quarter of 2006. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

# II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

# III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

# IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinci Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

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In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under U.S. v. Correll, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinci Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

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payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

## CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

applemental 941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund Department of the Treasury — Internal Revenue Service Return You Are Correcting ... (EIN) 7805 Employer Identification number Check the type of return you are correcting: X 941 Name (not your trade name) University Hospitals of Cleveland 941-SS Trade name (if any) University Hospitals Case Medical Center Check the ONE quarter you are correcting: Address 11100 Euclid Avenue 1: January, February, March Suite or room numba Street Number 2: April, May, June OHO 44106 Cleveland ZIP code City State 3: July, August, September Use this form to correct errors you made on Form 941 or 941-SS for one quarter only. X 4: October, November, December Type or print within the boxes. You MUST complete all three pages. Read the instructions before completing this form. Do not attach this form to Form 941 or 941-SS. Enter the calendar year of the quarter Part 1: Select ONLY one process. you are correcting: (YYYY) 1. Adjusted employment tax return. Check this box if you underreported amounts. Also 2006 check this box if you overreported amounts and you would like to use the adjustment # 29 **3 4** 1 1 2 K × process to correct the errors. You must check this box if you are correcting both underreported and overreported amounts on this form. The amount shown on line 18, if Enter the date you discovered errors: less than 0, may only be applied as a credit to your Form 941, Form 941-SS, Form 944, or Form 944-SS for the tax period in which you are filing this form. 01/31/2007 (MM / DD / YYYY) X 2. Claim. Check this box if you overreported amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 18. Do not check this box if you are correcting ANY underreported amounts on this form Part 2: Complete the certifications. X 3. I certify that I have filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required. Note. If you are correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. 4. If you checked line 1 because you are adjusting overreported amounts, check all that apply. You must check at least one box I certify that: a. I repaid or reimbursed each affected employee for the overcollected federal income tax for the current year and the overcollected social security and Medicare tax for current and prior years. For adjustments of employee social security and Medicare tax overcollected in prior years, I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. b. The adjustment of social security tax and Medicare tax is for the employer's share only. I could not find the affected employees or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. c. The adjustment is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages. if you checked line 2 because you are claiming a refund or abatement of overreported employment taxes, check all that apply. You must check at least one box. I certify that: a. I repaid or reimbursed each affected employee for the overcollected social security and Medicare tax. For claims of employee social security and Medicare tax overcollected in prior years, I have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. X b. I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security and Medicare tax. For refunds of employee social security and Medicare tax overcollected in prior years, I also have a written statement from each employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection c. The claim for social security tax and Medicare tax is for the employer's share only. I could not find the affected employees, or each employee did not give me a written consent to file a claim for the employee's share of social security and Medicare tax, or each employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection. d. The claim is for federal income tax, social security tax, and Medicare tax that I did not withhold from employee wages. Next -

Name	(not your trade name)			Employer iden	tification number (EIN)		ndar year (YYYY)
Liniva	ersity Hospitals of Cleveland			7805			2006
P	art 3: Enter the corrections for t	his quarter. If any	line does	not apply, lea	ve it blank.		
		Column 1		ımrı 2	Column 3		Column 4
		Total corrected amount (for ALL employees)	Amount or reported o previously (for ALL ea	ras corrected =	Difference (if this amount is a negative number, use a minus sign.)	1	ax correction
6.	Wages, tips and other compensation (from line 2 of Form 941)		-	=		Use the amount in C you prepare your Fo or Forms W-2c.	Column 1 when orms W-2
7.	Income tax withheld from wages, tips, and other compensation (from line 3 of Form 941)			=		Copy Column	
8.	Taxable social security wages (from line 5a, Column 1 of Form 941 or Form 941-SS)	115,197,377.81	_ 122,7	14,959.83 =	-7,517,582.02 If you are correcting your am	X 124 " = sployer share only us	-932,180,17 e 062 See instructions
9.	Taxable social security tips (from line 5b, Column 1 of Form 941 or Form 941-SS)			] =	"If you are correcting your an	X .124 * =	ie .062. See instructions
10.	Taxable Medicare wages and tips (from line 5c, Column 1 of Form 941 or Form 941-SS)	140,298,226.38	_ 148,0	34,540.86 =	-7,736,314.48	X .029 ° = npfoyer share only, u	-224,353.12 se 0145. See instructions
11.	Tax adjustments (from lines 7a through 7c of Form 941or Form 941-SS)		-	=		Copy Calumn 3 here	
12.	Special addition to wages for federal income tax		-	=		See Instructions	
13,	Special addition to wages for social security taxes		_	=	·	See instructions	
14.	Special addition to wages for Medicare taxes			=		Sea instructions	
15.	Combine the amounts on lines 7–14	of Column 4.					-1,156,533.29
16.	Advance earned income credit (EIC) payments made to employees (from Form 941, line 9)		] [		=	Sea instructions	
17a	. COBRA premium assistance payments (from line 12a of Form 941 or 941-SS)		]_[			Sue	
171	Number of individuals provided COBRA premium assistance (from line 12b of Form 941 or 941-SS)			-	=	Ī	
18.	Total. Combine the amounts in line  If line 18 is less than 0:  If you checked line 1, this is the which you are filing this form. (		11 - 4 - 5 - 5	rodit te vour En	rm 941 or Form 941-S I-SS, Employer's ANN	S for the tax per UAL Federal Ta	-1,156,533.29 nod in x Return,
	see the instructions.)  If you checked line 2, this is the line 18 is more than 0, this is the line 18 is more than 0, this is the line 18 is more than 10.	e amount you want re	funded or al	bated.			

see Amount You Owe in the instructions.

Next -

(not your trade name)		Employer Identifica	ation number (EIN)	Correcting quarter 4 (1, 2, 3, 4) Correcting calendar year (YYYY)
		7805	_	2006
ersity Hospitals of Cleveland art 4: Explain your correction	ns for this quarter.			
19 Check here if any correc	ctions you entered on a line sported and overreported am	Outus of time 21.		rreported amounts.
21. You must give us a deta				ne instructions.
The negative amount repress				
Taxpayer claims interest as	allowed by law on said refun	id, and a refund of any J	paid interest relat	ed to overpaid tax.
See the attached Addendum	to Form 941-X for a statem	ent of the basis of the i	nstant refund cla	<u>m.</u>
A Form 8275-R disclosure s	talement is also attached.			
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	lata all targa nages	of this form and sign	it	
Part 5: Sign here. You must	complete all three pages	of this form and sign	itxamined this adjusted	return or claim, including
Under penalties of perjury, I declare that I	t have filed an original Form 941 or F s, and to the best of my knowledge at	form 941-55 and that I have a nd belief, they are true, correc	it xamined this adjusted 1, and complete. Deck	return or claim, including ration of preparer (other
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Under penalties of perjury, I declare that is accompanying schedules and statements than taxpayer) is based on all information	I have filed an original Form 941 or F s, and to the best of my knowledge al n of which preparer has any knowledge	orm 941-55 and that I have e nd belief, they are true, correc ge.	Print your Mich	ration of preparer (other
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Page 3

Form 2678 (Rev June 1997)

# Employer Appointment of Agent Under Section 3504 of the Internal Revenue Code (For use by employers or payers)

OMB Number 1545-0748

(For use b	y employers or payers,	
To Internal Revenue Service Co	enter	Instructions
Ogden, UT 84201-0046		Employer or Payer: Please complete this form and give it to the agent
Director Ogden, UT Service Cente		Agent: Please attach a letter requesting authority to do either all that is required of the employer for wages you pay on the employer's behalf or all that is required the payer for requirements of backup withholding. (See applicable Revenue Procedures 70-6 or 84-33.) Forward both the letter of request and Form 2678 to the Director of the Internal Revenue Service Center where you file your
lote: Rev. Proc. 70.6 is available in Publication 1271 and in Publication 1272.	Rev. Proc. 84-33 is available	returns. (See reverse side for addresses )
Employer's or Payer's name	<ol> <li>Employer's or Payer's addressed ziP code)</li> </ol>	ess (Number and street, city, town or post office, Star
University Hospitals of Cleveland	11100 Euclid Aver	nue
Employer identification number	Cleveland, OH 44.	106
7605		70
5 Agent's name	Î	d street, city, town or post office. State and ZIP code)
: Darskey Mospitals Realth System, inc	11100 Euclid Ave	nue-ROBB 151
Agent's employer identification number	Cleveland, OH 4	9106
9 Effective for (Check tre box or boxes that apply)	9 If filing under Rev. Proc. 70-6, does this apply to	10 Effective date of appointment by employer or payer
Employment taxes (Rev. Proc. 10-6)   Backup withholding (Rev. Proc. 84-33)	ali employees? [X] Yes	April 1, 2003
Under section 3504 of the internal Revenue Code, prease authorize this agent to do all that is required under (Check the one(s) that apply)	Signature of employer or ;	12/19/0
∑ Chapter 21 (F/CA)  Chapter 22 (Rakoad Religiment)	Title of signing official (Inc. partner, member of firm, fide	icate whether the person signing is an owner, ciary, or a corporate officer.)
© Chapter 24 —  (X) Whithholding and/or  (3) Backup withholding  (5) Chapter 25 (General Provisional of Subtitle C	Kevin Roberts, S	ir. Vice President and CfC
The agent named above has been appointed either to pay wages for employers and/or report and deposit packup withholding amounts for payers. This appointment is effective on the date shown in them 10.		
it is understood that the agent and the employor or bayer are subject to all provisions of law and	For Interna	I Revenue Service Use Only
regulations (including penalties) which apply to employers or payers.	Effective date granted oy IRS	<b>▶</b>

For the Paperkors Resuction Act Notice, please see the back of this form

# ADDENDUM TO FORM 941-X

#### I. OVERVIEW

University Hospitals of Cleveland ("UHC") respectfully requests a refund of certain employer and employee portions of the Federal Insurance Contributions Act ("FICA") taxes that were paid to the Internal Revenue Service ("IRS") for the fourth calendar quarter of 2006, plus any interest paid thereon, plus statutory interest as provided by law. These taxes were overpaid with respect to payments made during that quarter to medical residents and fellows (collectively, the "Residents") who were students employed by UHC or an affiliate during the fourth quarter of 2006. UHC believes that the payments made to the Residents were incorrectly treated as taxable for FICA tax purposes, but it caused the FICA tax thereon to be paid anyway because a regulation, discussed below, purportedly required payment of the tax.

Part II discusses a procedural issue. Part III sets out a brief statement of facts relating to the claim for refund reflected on the attached Form 941-X. Part IV sets out legal authorities and analysis upon which UHC's claim for refund is based.

# II. EMPLOYEE CONSENTS

UHC files this refund claim both on its own behalf and on the behalf of the Residents. UHC has sought or will seek and retain any applicable written consents of the affected Residents, whereby each Resident: (1) authorizes UHC to apply for this refund, (2) states whether he or she has previously claimed a refund or credit of the overcollected FICA taxes (and if such a claim has been filed, whether it has been denied), and (3) confirms that the Resident will not claim any additional refund or credit regarding these FICA taxes, if, in signing the consent, the Resident authorizes UHC to file a claim for refund on his or her behalf. These consents will be timely obtained in accordance with the decision in *Chicago Milwaukee Corp. v. U.S.*, 40 F.3d 373 (Fed. Cir. 1994), a decision which the IRS has previously acknowledged to be controlling.

# III. SUMMARY OF FACTS

UHC offers medical residency and fellowship programs in which the Residents are trained and educated to become practicing physicians. On March 2, 2010 the IRS announced that payments made to medical residents during periods before the second quarter of 2005 are not subject to FICA taxes because those payments come within Section 3121(b)(10) of the Internal Revenue Code of 1986, as amended (the "Code"), the so-called Student Exception from FICA tax (discussed below) and thus are exempt from that tax. See IR-2010-25 (Mar. 2, 2010), found at www.irs.gov.

UHC has continued to withhold FICA taxes for periods after the first quarter of 2005, to conform to the requirements of Treas. Reg. § 31.3121(b)(10)-2, as amended by T.D. 9167 and effective on and after April 1, 2005 (the "2005 Regulation"). UHC did so even though it disputes that the 2005 Regulation is a proper interpretation of the Student Exception (discussed below).

# IV. LEGAL AUTHORITIES AND ANALYSIS

Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found. for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v. Chater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10), and U.S. v. Memorial Sloan-Kettering Cuncer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that "[w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra – each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

# CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Form 8275-R

# Regulation Disclosure Statement

Use this form only to disclose items or positions that are contrary to Treasury regulations. For other disclosures, use Form 8275, Disclosure Statement. See separate instructions.

OMB No 1545-0889

Attachment Sequence No. 92A

Department of the Treasury Internal Revenue Service

(Rev August 2008)

Attach to your tax return.

Identifying number shown on return Name(s) shown on return 7805 University Hospitals of Cleveland General Information (see instructions) (e) (c) Detailed Description ťΩ (p) Line Form or Amount (a) Regulation Section Item or Group Schedule No. of Items of Items Stipends paid to medical residents and fellows are not FICA Wages 1 31.3121(b)(10)-2 AMOUNT * 941-X Social Security or Medicare wages 3 Detailed Explanation (see instructions) Part II 1 or such greater amount to which taxpayer is entitled, plus any interest thereon, plus statutory interest as provided by law. This Form 8275-R relates to the fourth quarter of 2006. 2 See attached Addendum to Form 941-X for a statement of the basis of the instant refund claim. Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or Part III residual interest holders. Complete this part only if you are making adequate disclosure for a pass-through item. Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC). Identifying number of pass-through entity 1 Name, address, and ZIP code of pass-through entity Tax year of pass-through entity Name Address Internal Revenue Service Center where the pass-through entity City filed its return ZIP code State

For Paperwork Reduction Act Notice, see separate instructions. (HTA)

Form 8275-R (Rev. 8-2008)

# Case 1:10-cv-00760-FMA Document 1 Filed 11/05/10 Page 129 of 163

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# ADDENDUM TO FORM 941-X

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Sections 3101 and 3111 impose FICA taxes on all the wages paid to an employee by an employer during the calendar year. Section 3121(a) defines the term "wages" for FICA tax purposes as all remuneration for "employment," subject to certain exceptions. Certain services are specifically excepted from the definition of "employment." Among those exceptions is the so-called Student Exception. This exception was designed by Congress to relieve students and the schools, colleges, and universities employing them from the financial burden of paying FICA taxes. To implement its intent, Congress statutorily excluded from the definition of "employment" services performed by students in the employ of a school, college, or university (the "Student Exception").

Specifically, Section 3121(b)(10) provides, in relevant part, that the term "employment" does not include service performed in the employ of (A) a school, college, or university, or (B) an organization described in Section 509(a)(3) if the organization is organized, and at all times thereafter is (i) operated to perform the functions of or to carry out the purposes of a school, college, or university and (ii) is operated, supervised, or controlled in connection with such school, college, or university . . . if such service is performed by a student who is enrolled and regularly attending classes at such school, college, or university. See also Treas. Reg. § 31.3121(b)(10)-2(a) (2004). For purposes of the Student Exception, as understood for many decades, the amount of compensation received, the type of services performed, and the place where the services are performed are immaterial. Treas. Reg. § 31.3121(b)(10)-2(a) (2004).

The question whether medical residents are eligible for the Student Exception has been repeatedly addressed by the courts. The U.S. Court of Appeals for the Eighth Circuit, in Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998) and the U.S. District Court for the District of Minnesota, in U.S. v. Mayo Found, for Med. Educ. and Research, 282 F. Supp.2d 997 (D. Minn. 2003) and Minnesota v ('hater, 1997 WL 33352908 (May 21, 1997, D. Minn.), correctly ruled in favor of the taxpayers, holding that the Student Exception applies to medical residents. The issue was also addressed and resolved in favor of the taxpayer in U.S. v. Mt. Sinai Med. Ctr. of Florida, Inc., 486 F.3d 1248 (11th Cir. 2007) (finding and concluding, based upon the facts and circumstances, that payments made to medical residents fall within the Student Exception). See also The University of Chicago Hospitals v. U.S., 545 F.3d 564 (7th Cir. 2008) (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same); U.S. v. Detroit Med. Ctr., 2009 U.S. App. LEXIS 3760 (6th Cir. Feb. 26, 2009) (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra) - each of which relied upon the plain terms of Section 3121(b)(10); and U.S. v. Memorial Sloan-Kettering Cancer Ctr., 563 F.3d 19, 22 (2nd Cir. 2009) (stating that [w]e agree with the Sixth, Seventh, and Eleventh Circuits that the statute is unambiguous and that whether medical residents are 'students' and the Hospitals 'schools' is a question of fact, not a question of law"). Thus, the federal courts of appeals have repeatedly rejected, based upon the unambiguous terms of Section 3121(b)(10), the IRS's argument that the Student Exception is categorically off limits to medical residents and teaching hospitals.

All references to "Section" are to Sections of the Code.

However, the 2005 Regulation, if valid, effectively places the Student Exception categorically off limits to UHC and the Residents as of and after April 1, 2005. Treas. Reg. § 31.3121(b)(10)-2 (2005). The plain terms of the Student Exception statute, Section 3121(b)(10), cannot bear that interpretation. See The University of Chicago Hospitals v. U.S., supra (holding that the plain terms of Section 3121(b)(10) contradict the IRS's argument that the provision is categorically off limits to medical residents); U.S. v. Mt. Sinai Med. Ctr., supra (same) United States v. Memorial Sloan-Kettering Cancer Center, supra (same); and U.S. v. Detroit Medical Center, supra (rejecting the IRS's "categorically off limits" argument based upon The University of Chicago Hospitals v. U.S., supra, and U.S. v. Mt. Sinai Med. Ctr., supra — each of which relied upon the plain terms of Section 3121(b)(10)). The 2005 Regulation is unreasonable, arbitrary, capricious, manifestly contrary to the statute it purports to interpret, and manifestly contrary to Treas. Reg. § 31.3121(b)(10)-2 as promulgated by T.D. 6190, as republished by T.D. 6516, and as amended by T.D. 7373 (the "1956 Regulation").

The 2005 Regulation is thus invalid under the legal standards set out in National Muffler Dealers Association v. U.S., 440 U.S. 472 (1979), and Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837 (1984). See Mayo Found. for Med. Educ. and Research v. U.S., 503 F. Supp. 2d 1164 (D. Minn. 2007) (holding the 2005 Regulation invalid); Regents of the University of Minnesota v. U.S., 2008 U.S. Dist. LEXIS 26263 (D. Minn. 2008) (same); but cf. Mayo Found. for Med. Educ. and Research v. U.S., 2009 U.S. App. LEXIS 15413 (8th Cir. 2009).

In addition, the 2005 Regulation is invalid because it contradicts the 1956 Regulation – a regulation with content directly derived from a 1940 regulation. The Student Exception, enacted in 1939, was interpreted by the 1956 Regulation. The statutes that surround the Student Exception have been addressed numerous times by Congress since 1940 and since 1956. The 1956 regulation thus has "the effect of law" under *U.S. v. Correll*, 389 U.S. 299 (1967), and may not be contradicted by the belated and dubious 2005 Regulation.

UHC and its Residents are entitled to recover under the legal standards that prevail in the absence of the 2005 Regulation, including the 1956 Regulation. See, e.g., U.S. v. Mt. Sinai Med. Ctr., 2008 U.S. Dist. LEXIS 57808 (S.D. Fla. July 28, 2008) (finding and concluding, based upon the facts and circumstances, that medical residents come within the exception from tax set out in Section 3121(b)(10)). The IRS has acknowledged as much in its announcement, made on March 2, 2010:

[The IRS] has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

IR-2010-25. This announcement thus concedes that (i) the Residents are "students" and (ii) UHC is a "school, college or university," for purposes of Section 3121(b)(10) of the Code, unless the 2005 Regulation is valid and controlling -- which it is not, as shown above.

We also understand that IRS will be interpreting this announcement to mean that the socalled Medicare Offset, sometimes asserted by the Department of Justice in response to FICA tax refund suits brought by teaching hospitals, should not be asserted by the IRS to reduce the refund

payable to teaching hospitals and their residents. In any event, that Medicare Offset has no merit.

## CONCLUSION

Payments made by or for UHC to the Residents qualify for the Student Exception and, therefore, are not subject to FICA taxes. UHC respectfully requests that the IRS refund to UHC the entirety of both the employer and employee portions of the FICA taxes that were erroneously treated as FICA wages, plus any interest paid thereon, plus interest as provided by law.

Claim for Refund and Request for Abatement

OMB No. 1545-0024

Department or "le Treasury	► See separate instructions.		
nternal Revenue Service	P dee separate matrocrovo.		
Use Form 843 if yo	ur claim or request involves:		
(a) a refund of	one of the taxes (other than income taxes) shown on line 3.		
(b) an abatem	ent of employment or certain excise taxes, or	and hellen on lit	ne 5a
(c) a refund o	abatement of interest, penalties, or additions to tax for one of the rea	OIIS SOME OF I	16 Ja.
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(a) an overpay	ment of income taxes (use the appropriate amended income tax return	<b>)</b> ,	<b>8</b>
(b) a refund o	f excise taxes based on the nontaxable use or sale of fuels, or		
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University Hospital	of Cleveland	Spouse's so	cial security number
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Cleveland, OH 4410	shown on return if different from above		phone number
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*0	2678 showing pay agent relationship		
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Signature. If you a	re filing Form 843 to request a refund or abatement relating to a joint return, by	oth you and your	spouse must sign the claim
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belief, it is true, corre	jury, I declare that I have examined this claim, including accompanying schedules and static, and complete. Declaration of preparer (other than taxpayer) is based on all information	• •	
(m	whall Brinks		3-12-09 Date
Signature (Title, if app	sidual (Market)  dicable. Claims by corporations must be signed by an officer.)		
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Firm's name (or yours if self-employed), address, and ZIP code

Paid Preparer's

Use Only

Form 2678 (Rev. June 1997)

# Employer Appointment of Agent Under Section 3504 of the Internal Revenue Code

OMB Number 1545-0748

, (For use	by employers or payers)		
. To Internal Revenue Service C	Center	Instruction	
Ogden, UT 64201-0046		Employer or Payer: Pleas this form and give it to the	e complete agent
Director Ogden, UT Service Cent		Agent: Please attach a lett authority to do either all that of the employer for wages employer's behalf or all that the payer for requirements withholding, (See applicable Procedures 70-6 or 84-33.) F the letter of request and Fo the Director of the Internal Service Center where you	at is required you pay on the st is required of of backup. Revenue forward both orm 2678 to Revenue.
Note: Rev. Proc. 70-6 is available in Publication 1271 and in Publication 1272.		returns. (See reverse side fo	
2. Employer's or Payer's name	Employer's or Payer's addr and ZIP code)	ess (Number and street, city, town o	r post office, Stale
University Hospitals of Cleveland	11100 Euclid Ave	nue	
Employer identification number	Cleveland, OH 44	106	
7805		A design accordable St.	de and ZIP risket
5. Agent's name	1	d street, city, town or post office, Sta	10 0.10 to 0000y
Thankersity Hospitals Realth System, Inc. 7. Agent's employer identification number	11100 Euclid Ave Cleveland, OH 4		
4775		The City is the of propint	meat by
8. Effective for (Check the box or boxes that apply)	9. If filing under Rev. Proc. 70-6, does this apply to	10. Effective date of appoint employer or payer	mon oy
<ul><li>Employment taxes (Rev. Proc. 70-6)</li><li>Backup withholding (Rev. Proc. 84-33)</li></ul>	all employees?  [X] Yes  [No	April 1, 2003	10.4
Under section 3504 of the Internal Revenue Code, please authorize this agent to do all that is required under (Check the one(s) that apply)	It of the	····· > ····	Date 12/19/0,
X Chapter 21 (FICA) Chapter 22 (Retroad Retirement)	Title of signing official (Inc. partner, member of firm, fide	ficate whether the person significate, or a corporate officer.)	ng is an owner.
<ul> <li>☑ Chapter 24 —</li> <li>☑ Withholding and/or</li> <li>☐ Backup withholding</li> <li>☑ Chapter 25 (General Provisions) of Subtitle C</li> </ul>		Sr. Vice President	, and CFO
The agent named above has been appointed either to pay wages for employers and/or report and deposit backup withholding amounts for payers. This appointment is effective on the date shown in Item 10.			
it is understood that the agent and the employer or payer are subject to all provisions of law and	For Interna	I Revenue Service Us	e Only
regulations (including penalties) which apply to employers or payers.	Effective date granted by IRS	<b>&gt;</b>	

For the Paperwork Reduction Act Notice, please see the back of this form,

# Form 843, Line 7 - Explanation of Adjustments

University Hospitals of Cleveland EIN: 7805

Quarters Ended March 31, June 30, September 30, and December 31, 2006

Compensation was paid by University Hospitals of Cleveland (the taxpayer) to various student employees for services performed by such students as medical residents during the year ended December 31, 2006. The taxpayer treated these amounts as wages subject to FICA tax and withheld and remitted the employees' and employer's share of FICA taxes to the IRS. FICA tax is generally imposed on wages under Section 3121. However, Section 3121(b)(10) provides that if a service is performed in the employ of a school, college, or university, or an organization described in Section 509(a)(3) supporting a school, college or university, by a student who is "enrolled and regularly attending classes" at such school, college or university, those services are exempt from FICA tax.

This claim is being filed to request a refund of the applicable Section 3101 employees' tax and Section 3111 employer's tax that was paid to the IRS with respect to such wages paid to medical residents. The claim is based upon the position that the taxpayer is the employer of the residents, qualifies as a school, college or university (or related organization described in section 509(a)(3)), and that the medical residents qualify as students employed by the taxpayer under interpretations of section 3121(b)(10) and Treas. Reg. section 31.3121(b)(10)-2(c) prior to amendment by T.D. 9167. Center for Family Medicine v. United States, 2008 U.S. Dist. LEXIS 59816 (No. Civ.05-4049-KES, D.S.D. August 6, 2008), United States v. Mount Sinai Medical Center of Florida, Inc., 2008 U.S. Dist. LEXIS 57808 (No. 02-22715-CIV-GOLD, S.D. Fla. July 28, 2008), Regents of the University of Minnesota v. United States, 2008 U.S. Dist. LEXIS 26263 (No. 06-5084 (RHK/JSM), D. Minn. April 1, 2008), Mayo Foundation for Medical Education and Research and Mayo Clinic v. United States, 503 F. Supp. 2d 1164 (D. Minn. 2007), University of Chicago Hospitals v. United States, 2006 U.S. Dist. LEXIS 68695 (No. 05 C 5120, N.D. III. Sept. 8, 2006), Minnesota v. Apfel, 151 F.3d 742 (8th Cir. 1998), and United States v. Mayo Foundation for Medical Education and Research, and Mayo Foundation, 282 F. Supp. 2d 997 (D. Minn. 2003).

Pursuant to Treas. Reg. Section 31.6402(a)-2(a) and Rev. Rul. 81-310, 1981-2 C.B. 241, the taxpayer hereby files a claim for refund of the overpaid Section 3101 employee and Section 3111 employer tax, as shown herein, together with interest thereon.

The taxpayer believes the primary function test and student status determination prescribed by Treas. Reg. Section 31.3121(b)(10)-2 as amended by T.D. 9167 is contrary to the legislative intent of Section 3121(b)(10) and is also contrary to the aforementioned judicial determinations. Because the taxpayer's refund claim is inconsistent with published regulatory authority, the taxpayer is including this notice of inconsistent treatment with its refund claim.

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SCHEDULE B (FORM 941) (Rev. November 1998) Department of the Treasury Internal Revenue Service

# **Employer's Record of Federal Tax Liability**

See Circular E for more information about employment tax returns.

5151 Attach to Form 941 or 941-SS OMB No. 1545-0029

Name as shown on Form 941 (or Form 941-SS)

UNIVERSITY HOSPITALS HEALTH SY

Employer identification number 4775

Date quarter ended 03/31/2006

You must complete this schedule if you are required to deposit on a semiweekly schedule, or if your tax liability on any day is \$100,000 or more. Show fax liability here, not deposits. (The IRS gets deposit data from FTA coupons or EFTPS.)

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For Paperwork Reduction Act Notice, see page 2

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2/2006 7/21/2006 12:00:00AM ST/LC40

	for 2006: Employ	er's Quarterly	Federal	Tax Return	9901 OMB No. 1545-0029
. •	dentification number	he Treasury — Internal Rev	7 7		ort for this Quarter eck one.)
Name (not)	your trade name) UNIVERSITY H	OSPITALS HEALTH	SYSTEM		1: January, February, March
Trade name	e (if any)				
Address	11100 EUCLID AVENUE				3: July August, September
	Number Sugal	OH	Suite or recor	n number	4: October, November, December
	CLEVELAND	State	!		14: October, November,
lead the s	eparate instructions before you fill ou	t this form. Please type (	or print within	th	
	Answer these questions for thi		estions for	tho nay	12,587
1 Number period in	er of employees who received wag cluding: Mar. 12 (Quarter 1), June	es, tips, or other compe 12 (Quarter 2), Sept. 12	(Quarter 3),	Dec. 12 (Quarter, 1	134,918,789,82
2 Wages	i, tips, and other compensation			21	The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon
	ncome tax withheld from wages, t				19,204,605.79
	rages, tips, and other compensation		security or M	ledicare tax	Check and go to line 6.
5 Taxab	le social security and Medicare wa	iges and tips: Column 1		Column 2	
- Sa Tar	kable social security wages	128,194,414,77	X .124	15,896,107.42	
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Sc Ta	xable Medicare wages & tips	140,486,083,41	x .029	4,074,096,44	
5d-To	tal social security and Medicare ta	xes (Columns 2, lines 5a	a +:5b + 5c =:1	ine 5d) 5d	19,970,203,86
	taxes before adjustments (lines 3			6	39,174,809,65
	djustments (if your answer is a neg		ickets.):	The second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of th	
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7h T	otal adjustments (Combine all amo	unts: lines 7a through 7g	g.)	#	00 474 999 66
8 Toţa	I taxes after adjustments (Combine	e lines 6 and 7h.)			8 39,174,809,00
9 Adva	ance earned income credit (EIC) p	ayments made to emplo	oyees		9 //4,02
10 Tot	al taxes after adjustment for adva	nce EIC (lines 8 - 9 = 10	)		39,174,035.63
11 Tol	tal deposits for this quarter, include	ding overpayment appli	ed from a pr	or quarter	39,174,035,63
- 1	lance due (lines 10 - 11 = line 12) M				12 0.00
	erpayment (If line 11 is more than li	, # 14. L			Check one Apply to next return.  Send a refund.  Next ->
	cy Act and Paperwork Reduction Act Notice	4 T		•	Cat. No. 17001Z Form 941 (Rev. 1-200

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ame (not)	your trade name)						1: Januar	y, February, March
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nd atta	ch it to Form 941 ( lated tax liability o	or Fo	orm 941-55) if you ar v day was \$100,000 o	eas	semiweekiy schedule ore. Write vou daily ta	x lia	ositor or became one biblity on the numbered	space that
orrespo	onds to the date w	ages	were paid. See Sec	tion	11 in Pub. 15 (Circula	r E),	Employer's Tax Guide	, for details.
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me (not your trade name) UNIVERSITY HOSPITALS HEALTH SYSTEM	Employer Identification number 4775
Part 2: Tell us about your deposit schedule for this quart	(er.
f you are unsure about whether you are a monthly schedule dep	ositor or a semiweekly schedule depositor, see Pub.: 15
Write the state abbreviation for the state where deposits in multiple states.	you made your deposits OR write "MU" if you made your
5 Check one: Line 10 is less than \$2,500. Go to Part 3	
You were a monthly schedule depositor liability for each month. Then go to Part	for the entire quarter. Fill out you tax. 3.
Tax llability: Month 1	
Month 2	
Month 3	
Total	Total must equal line 10.
You were a semiweekly schedule depo	sitor for any part of this quarter. Fill out Schedule b (Form 941): hedule Depositors, and attach it to this form.
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Part 3: Tell us about your business. If a question does	NOT apply to your business, leave it blank.
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3 06 ST MZ25 9701 **Employer's Quarterly Federal Tax Return** Form 941 for 2006: Department of the Treasury - Internal Revenue Service OMB No. 1545-0029 (Rev. January 2005) Report for this Quarter ... (Check one.) 1: January, February, March 4775 Employer identification number Name (not your trade name) UNIVERSITY HOSPITALS HEALTH SYSTEM 2: April, May, June Trade name (flany) X 3: July, August, September Address 11100 EUCLID AVENUE 4: October, November, December 44106 CLEVELAND, OH Part 1: Answer these questions for this quarter. Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4). 12598 119620507.68 17190342.40 Check and go to line 6. If no wages, tips, and other compensation are subject to social security or Medicare tax . . . . . Taxable social security and Medicare wages and tips: Column 2 13156151.90 106097998.95 x .124= 5a Taxable social security wages x .124 = Taxable social security tips 3602907.96 5c Taxable Medicare wages & tips 124238206.17 × .029= 16759059.86 Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d) ...... 33949402.26 6 Total taxes before adjustments (lines 3 + 5d = line 6) ...... Tax adjustments (If your answer is a negative number, enter it in brackets.): 7a Current quarter's fractions of cents ..... 7b Current quarter's sick pay ..... 7c Current quarter's adjustments for tips and group-term life insurance 7d Current year's income tax withholding (Atlach Form 941c) . . . . . . Prior quarters' social security and Medicare taxes (Attach Form 941c) Special additions to federal income tax (reserved use) ...... Special additions to social security and Medicare (reserved use) ... Total adjustments (Combine all amounts: lines 7a through 7g.) ..... 33949402.26 Total taxes after adjustments (Combine lines 6 and 7h.) ..... 1147.04 Advance earned income credit (EIC) payments made to employees ..... 33948255.22 Total taxes after adjustment for advance EIC (lines 8 - 9 = line 10) ...... 10 33948255.22 Total deposits for this quarter, including overpayment applied from a prior quarter . . . . . . . 12 Balance due (lines 10 - 11 = line 12) Make checks payable to the United States Treasury ...... Check one Apply to next return 13 Overpayment (If line 11 is more than line 10, enter the difference here.) ....

For Privacy Act and Paperwork Reduction Act Notice, see the Payment Voucher.

BIA Form 941 (Rev. 1-2005)

Send a refund

UNIVERSITY HOSPI	TALS HEALTH	SYSTEM	47	cation number 75					
Dart 2: Toll us about your	r denneit echedu		ly schedule depositor, see	Pub. 15 (Circular E),					
14 CA Enter the state ab	breviation for the sta	ite where you made your deposits	OR enter "MU" if you m	ade your deposits in multiple					
15 Check one: Line 10	is less than \$2,500.	Go to Part 3.							
You we	re a monthly schedul h month. Then go to l	le depositor for the entire quarter Part 3.	. Fill out your tax liability						
Tax liab	sility: Month 1								
	Month 2								
r	Month 3		]						
	Total		Total must equal line 10.						
X You we	re a semiweekty sch	edule depositor for any part of thi niweekly Schedule Depositors, and a	s quarter. Fill out Schedu	le 8 (Form 941):					
		question does NOT apply t		e it blank.					
				Check here, and					
16 If your business has closed	and you do not hav	e to file returns in the future		<b>4.1.241.</b>					
enter the final date you paid t			-tdtha waar	Chack bere					
	17 If you are a seasonal employer and you do not have to file a return for every quarter of the year Check here.								
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V. Outlands on	1								
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	doyer identification nur							January, February, March April, May, June
Nan	ne (not your trade name)	ПИ	IVERSITY HOSE	2 <u>77</u>	ALS HEALTH SY	ST	<del>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</del>	luly, August, September
mus depo Ente Mor	this screenie to show y it fill out this form and a positor or became one be it your dally tax liability on the 1	ttach caus on th	ax liability for the quarter it to Form 941 (or Form ! e your accumulated tax li e numbered space that c	; DO 941-9 iabilit orres	NOT use it to snow your is) if you are a semiweek iy on any day was \$100,00 iponds to the date wages	gepo ly sci 30 or were	hedule 4: 6 more. e paid.	October, November, Decem
1		9 [		17		25		Tax liability for Month
2	· · · · · · · · · · · · · · · · · · ·	10	<u> </u>	18		26		12674379.
3		11		19		27		
4		12		20	4535495.80	28	1402717.55	]
5		13		21	251051.19	29		
6	4778296.37	14	1447045.17	22		30		
7	259773.17	15		23		31		
8		16		24				•
Mon	ath 2					, 1		] <b>.</b>
1		9		17		25		Tax liability for Month
2		10		18	4244356.32	26		10947880
3		11 [		19	234516.29	27		_
4	4236574.93	12		20		28		
5	225625.61	13 [		21		29		
6		14		22		30		_
7		15	1024874.28	23		31	981933.34	
8		16		24				
Mon	ith 3	) <u> </u>		1		٦.,		Tax liability for Mont
' <u>L</u>		] e 1		17 		] 25 ]		15551775
2	4451083,93	, . ] [		] 18 ]		] 26 ]		J L
3 _		] 11 <u> </u> ]		19		27		_
4		12		20		] 28 ]		<u>,</u>
5		13		] 21 ]		] 29 ]		' 
6	m	14		22		] 30 ]		
7		15	5145517.36			] 31 ¬		
8		16	236333.48 the quarter (Month 1 + M	J	L	ا		Total liability for the qua

3 06 ST MZ25 9701 Employer's Quarterly Federal Tax Return Form 941 for 2006: Department of the Treasury - Internal Revenue Service OMB No. 1545-0029 (Rev. January 2005) Report for this Quarter ... (Check one.) 1: January, February, March 4775 Employer identification number Name (not your trade name) UNIVERSITY HOSPITALS HEALTH SYSTEM 2: April, May, June Trade name (if any) 3: July, August, September Address _11100 EUCLID AVENUE X 4: October, November, December CLEVELAND, OH 44106 Part 1: Answer these questions for this quarter. Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4)... 12711 142204704.78 Wages, tips, and other compensation ..... 20734560.80 Check and go to line 6. If no wages, tips, and other compensation are subject to social security or Medicare tax . . . . Taxable social security and Medicare wages and tips: Column 2 15216655.02 122714959.83 x .124= Taxable social security wages Taxable social security tips x .124 = 5b 4293001. 72 Taxable Medicare wages & tips 148034540.86 × .029= 19509656.74 5d 5d Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d) ...... 40244217.54 6 6 Total taxes before adjustments (lines 3 + 5d = line 6) ...... Tax adjustments (If your answer is a negative number, enter it in brackets.): 7b Current quarter's sick pay..... 7C Current quarter's adjustments for tips and group-term life insurance Current year's Income tax withholding (Attach Form 941c) ...... Prior quarters' social security and Medicare taxes (Attach Form 941c) Special additions to federal income tax (reserved use) . . . . . . . . . Special additions to social security and Medicare (reserved use) ... Total adjustments (Combine all amounts: lines 7a through 7g.) ..... 40244217.54 8 Total taxes after adjustments (Combine lines 6 and 7h.) ..... 1673.66 9 Advance earned income credit (EIC) payments made to employees ..... 40242543.88 10 Total taxes after adjustment for advance EIC (lines 8 - 9 = line 10) ...... 10 40242543.88 Total deposits for this quarter, including overpayment applied from a prior quarter . . . . . . . Balance due (lines 10 - 11 = line 12) Make checks payable to the United States Treasury ...... 12 12 13 Overpayment (If line 11 is more than line 10, enter the difference here ) .... Check one Apply to next return. Form 941 (Rev. 1-2005) For Privacy Act and Paperwork Reduction Act Notice, see the Payment Voucher. Send a refund.

9702

Name (not your trade name) TINTVERSITY HOS	Page 2 SPITALS HEALTH SYSTEM	Employer identific 477	5
Dart 2: Tall us about a	your denosit schedule for this qu	arter. lor or a semiweekly schedule depositor, see f	Pub. 15 (Circular E),
	te abbreviation for the state where you m	ade your deposits OR enter "MU" if you ma	de your déposits in multiple
	e 10 is less than \$2,500. Go to Parl 3.		
You for	u were a monthly schedule depositor for t each month. Then go to Part 3.	the entire quarter. Fill out your tax liability	
Tax	liability: Month 1		
	Month 2		
)	Month 3		
<b>)</b>	Total	Total must equal line 10.	
X You	were a semiweekly schedule depositor port of Tax Liability for Semiweekly Schedule	for any part of this quarter. Fill out Schedule	e B (Form 941):
		s NOT apply to your business, leave	it blank.
1			Check here, and
16 If your business has ck	osed and you do not have to file returns	in the future	Cleck liele, and
enter the final date you p			
		urn for every quarter of the year	Check here.
Part 4: May we contain	ct your third-party designee?	her person to discuss this return with the IRS	See instructions for det
Do you want to allow a	in employee, a para tax preparer, or unor		
Yes Designee	's name		
Phone No.		Personal Identification Number (PI	N)
Part 5: Sign Here Under penalties of perju knowledge and belief, it	iry, I declare that I have examined this returnistrue, correct, and complete.	n, including accompanying schedules and states	nents, and to the best of my
Sign your name here	- sp. Michels		
Print name and little	J B MICHELS ADP	ATTY-IN-FACT	
Date	04/30/06 Phone	877-706-0510	
Part 6: For paid prep	arers only (optional)		
Preparer's signature			
Firm's name			
·		EIN	
Firm's name		EIN ZIP code	
Firm's name	Phone		

(Rev. Empl	loyer identification numbe	er	4775	<u> </u>			1: Ja	nuary, February, March
Nam.	e (not vour trade pame). Ti	INI T	VERSITY HOSP	ΙΤZ	LS HEALTH SYS	ľEľ	<u>''</u>	ril, May, June ly, August, September
Use t must depo Enter	this schedule to show your I fill out this form and attac I sitor or became one becar I your daily tax liability on	r tax ch it	liability for the quarter; to Form 941 (or Form 9	DO ( 41-S!	OT use it to show your de if you are a semiweekly s on any day was \$100.000 (	posi iche or m	dule 4: Od	ctober, November, Decemb
Mon 1	<u>m 1</u>	9		17	25			Tax tiability for Month 1
2 <u> </u>	110	, [		18	26	3		11428461.4
3	1 1	[		19 T		,	4309379.17	
L		늗		20	21		240996.23	
4 L	12	-	4377487.25	21				
5 _	1:	_	1153954.84			۰ [		
6	1-	<u> </u>	1153954.04	22		Ļ	1346643.93	
7 _	1	5		23		1	1310010.30	
8		6	· · · · · · · · · · · · · · · · · · ·	24				
Mor	nth 2	9 [		17		25	241410.20	Tax liability for Month
2		۔ آ ہ	4354676.99	ј і ] ₁₈ [		26		11023270.
² لـ 3 آ			236397.87			ـا ] ₂₇		
		'		20		۱ ] ] 28		
4		<u></u>		21		ا 29		]
5		13 <u> </u> [		]22		ا ا 30		]
6		14 <u> </u>  -	906080.21	_]		31	1009618.46	]
7		15 <u> </u> ר	906060.21	ا ا	4275086.28	۱ ۲۰		٦
8		16		] 24	4273000.20			
Mo 1	nth 3	9 [		17		25	25445.79	Tax liability for Mont
2 [		10 T		_     18		26		11496523
3		] '' ] 11		_     ₁₉		27		
E		'' L		20		28		_
4		13		] = ``     21	4559981.68	i 1	1081842.8	7
5		1		] *: ] 22	245916.40	,		<b>-</b> -
6		14	1071949.78		210510.10	31		=
7		15	10/1343.70	_		] ] ~'		
8	4506854.73			2	2 + Month 3) = Total tax lis	]		Total liability for the qua

BOX 3 SOCIAL SECURITY	BOX 4 SOCIAL SECURITY	BOX 5 MEDICARE WAGES	BOX 6 MEDICARE	Boy 3 Boy 5	
WAGES	TAX WITHHELD	& TIPS	TAX WITHHELD	Box 3 - Box 5	
86,360.29	5,354.34	187,519.80	2,719.03	(101,159.51	
47,526.11	2,946.62	47,526.11	689.13	<u> </u>	
44,178.54	2,739.07	44,178.54	640.59		
			675.38	-	
46,577.88	2,887.83	46,577.88	331.57	-	
22,866.70	1,417.74	22,866.70 43,880.11	636.26	-	
43,880.11	2,720.57	43,770.11	634.67	-	
43,770.11	2,713.75	842.20	12.21	•	
842.20	52.22 1,451.06	23,404.26	339.36	•	
23,404.26	3,434.07	55,388.22	803.13	-	
55,388.22	2,727.58	43,993.29	637.90	•	
43,993.29	2,550.41	41,135.69	596.47	•	
41,135.69	1,475.02	23,790.70	344.97	•	
23,790.70	1,477.26	23,826.70	345.49	•	
23,826.70 48,951.72	3,035.01	48,951.72	709.80	•	
55,076.49	3,414.74	55,076.49	798.61	-	
60,714.33	3,764.29	60,714.33	880.35	•	
23,300.79	1,444.65	23,300.79	337.86	-	
44,920.22	• .	44,920.22		•	
34,665.79	2,149.28	34,665.79	50		
39,557.82		39,557.82		_	
22,494.70		22,494.70			
23,427.87		23,427.87	0.40.01	-	
21,988.70		21,988.70	E64.00		
34,785.17	0.450.00	34,785.17	000 14	,	
47,614.49		47,614.49	240.44	-	
44,768.22		44,768.22	<u> </u>	,	
44,677.58		44,677.50			
3,468.66		3,468.66 19,762.8			
19,762.84	1,225.30	(5,702.0	-		
	2,610.21	42,099.6	5 610.45		
42,099.68	•	19,844.7	3 287.75		
19,844.73	7.007.04	94,150.6	4 005 40		
94,150.66	0.004.04	49,432.4			
49,432.49 44,730.1		44,730.1	1 648.59		
39,559.9	0.150.70	39,559.9			
45,932.0	0.000.00	45,932.0			
25,155.6		25,155.6	364.76		
	-		- 334.81		
23,090.3	8 1,431.60	23,090.3			
23,672.7	9 1,467.71	23,672.3	575 75		
60,396.0	0 3,744.56	60,396.0			
22,288.2		22,288.3	000.00		
46,143.2	2,860.88	46,143.	-		
_	4 404 00	22,932.			
22,932.7	0.000.41	49,608.			
49,808.2	2 100 00	00.010	500.00		
38,849.6	. 500 40	04777	03 359.27		
24,777.0		40.000	.04 675.74		
46,603.0 23,324.6		22.004	.62 338.21		
23,324.0		00.000	.70 339.05		
23,382. 46,281.	0.000 47	-0.004	.74 671.09		
46,∠81. 23,281.		00.004	.26 337.58		
23,201. 24,155.	07.04	54.455			
24,153. 25,147.		Nº 417	.60 364.64		
30,701.		00 704	.37 445.17		

교육하였다. 상당, 성화장	AL SECURITY MED WITHHELD	& TIPS TAX	WITHHELD	Box 3 - Box 5
45,260.49	2,806.15	45,260.49	656.28	
23,217.70	1,439.50	23,217.70	336.66	
45,011.22	2,790.70	45,011.22	652.66	
	1,513.89	24,417.62	354.06	
24,417.62	1,509.00	24,338.79	352.91	
24,338.79		22,367.22	324.32	
22,367.22	1,386.77	23,382.70	339.05	
23,382.70	1,449.73	37,631.41	545.66	
37,631.41	2,333.15		392.64	
27,078.45	1,678.86	27,078.45	707.97	
48,825.51	3,027.18	48,825.51	342.36	
23,610.70	1,463.86	23,610.70		
45,571.04	2,825.40	45,571.04	660.78	
16,048.00	994.98	16,048.00	232.70	
24,321.51	1,507.93	24,321.51	352.66	
•	-	~	•	
15,633.60	-	15,633.60	•	
16,347.20	•	16,347.20	<del>-</del>	
21,527.86	1,334.73	21,527.86	312.15	
56,106.11	3,478.58	56,106.11	813.54	
	2,582.65	41,655.63	604.01	
41,655.63	2,745.74	44,286.11	642.15	
44,286.11		52,332.11	758.82	
52,332.11	3,244.59 1,204.87	22,494.70	326.17	
22,494.70	1,394.67	25,126.74	364.34	
25,126.74	1,557.86	43,944.97	637.20	
43,944,97	2,724.59	•	356.13	
24,560.62	1,522.76	24,560.62	644.50	
44,448.11	2,755.78	44,448.11	311.85	
21,506.74	1,333.42	21,506.74		
26,235.86	1,626.62	26,235.86	380.42	
44,402.11	2,752.93	44,402.11	643.83	
23,650.71	1,466.34	23,650.71	342.94	
22,866.70	1,417.74	22,866.70	331.57	
48.254.45	2,991.78	48,254.45	699.69	
51,925.97	3,219.41	51,925.97	752.93	
29,935.86	1,856.02	29,935.86	434.07	
47,632.11	2,953.19	47,632.11	690.67	
	2,704.45	43,620.11	632.49	
43,620.11	2,173.59	35,057.86	508.34	
35,057.86	2,068.04	33,355.43	483.65	
33,355.43	1,415.45	22,829.86	331.03	
22,829.86		7,182.55	104.15	
7,182.55	445.32	28,524.86	413.61	
28,524.86	1,768.54	39,621.45	574.51	
39,621.45	2,456.53	65,554.11	950.53	
65,554.11	4,064.35	65,534,11 21,331.81	309.31	
21,331.81	1,322.57		372.85	
25,713.62	1.594.24	25,713.62	310.54	
21,416.78	1,327.84	21,416.78	390.63	
26,939.86	1,670.27	26,939.86		
41,669.25	2,583.49	41,669.25	604.20	
43,026.11	2,667.62	43,026.11	623.88	
24,513.75	1,519.85	24,513.75	355.45	
42,827.52	2,655.31	42,827.52	621.00	
62,207.86	3,856.89	62,207.86	902.01	
23,624.26	1,464.70	23,624.26	342.55	
•	2,631.09	42,436.98	615.34	
42,436.98	2,806.00	45,258.11	656.24	
45,258.11	·	45,263.37	656.32	
45,263.37	2,806.33		679.38	
46,853.65	2,904.93	46,853.65	2.18	
150.00	9.30	150. <b>00</b>	4.10	

강하지가 보시말했는데 이 크로 불어 먹다	IAL SECURITY MEDI X WITHHELD	CARE WAGES ME & TIPS TAX	WITHHELD	Box 3 - Box 5
	2,422.51	39,072.77	566.56	
39,072.77	2,512.14	40,518.43	587.52	-
40,518.43	1,384.58	22,331.86	323.81	•
22,331.86	1,304.50	-	-	-
22.454.08	1,392.02	22,451.86	325.55	•
22,451.86	2,766.55	44,621.74	647.02	•
44,621.74	1,339.18	21,599.75	313.20	-
21,599.75	1,440.66	23,236.44	336.93	-
23,236.44	2,806.00	45,258.11	656.24	•
45,258.11	2,667.62	43,026.11	623.88	•
43,026.11	2,769.17	44,664.11	647.63	
44,664.11	1,461.63	23,574.70	341.83	•
23,574.70	1,351.01	21,790.55	315.96	-
21,790.55	2,754.67	44,430.11	644.24	-
44,430.11		45,668.11	662.19	-
45,668.11	2,831,42	44,938.31	651.61	-
44,938.31	2,786.18	45,394.31	658.22	-
45,394.31	2,814.45	45,342.67	657.47	
45,342.67	2,811.25	19,951.51	289.30	-
19,951.51	1,236.99	26,034.70	377.50	-
26,034.70	1,614.15	40,633.29	589.18	-
40,633.29	2,519.26	131,689.46	1,909.50	(12,357.
119,331.74	7,398.57	44,802.11	649.63	-
44,802.11	2,777.73 1,450.84	23,400.70	339.31	•
23,400.70		45,571.04	660.78	•
45,571.04	2,825.40 2,783.36	44,892.91	650.95	
44,892.91	3,110.86	50,175.18	727.54	
50,175.18	1,394.62	22,493.86	326.16	
22,493.86		22,523.29	326.59	
22,523.29	1,396.44	45,765.87	663.61	
45,765.87	2,837.48	40,1 80.01	-	
- 450.70	1 452 65	23,450.79	340.04	
23,450.79	1,453.95 2,777.73	44,802.11	649.63	
44,802.11	2,777.73	34,651.89	502.45	
34,651.89	2,705.56	43,638.11	632.75	
43,638.11	· ·	44,802.11	649.63	
44,802.11	2,777.73	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	•	
	2.016.43	47,039.14	682.07	
47,039.14	2,916.43	48,112.69	697.63	
48,112.69	2,982.99	42,419.99	615.09	
42,419.99	2,630.04 1,553.04	25,049.03	363.21	
25,049.03	1,600.73	25,818.19	374.36	
25,818.19	1,343.98	21,677.03	314.32	
21,677.03	2,774.67	44,752.76	648.92	
44,752.76 46.202.00	2,876.43	46,393.99	672.71	
46,393.99	1,503.30	24,246.70	351.58	
24,246.70	1,501,08	24,211.03	351.06	
24,211.03	1,329.84	21,449.03	311.01	
21,449.03	1,620.24	26,132.83	378.93	
26,132.83	2,651.35	42,925.11	622.41	
42,925.11	1,516.02	24,451.87	354.55	
24,451.87	2,648.00	42,709.62	619.29	
42,709.62	1,561.83	25,190.83	365.27	
25,190.83	2,488.07	40,130.21	581.89	
40,130.21	2,567.15	41,405.66	600.38	
41,405.66	1,547.44	24,958.75	361.90	
24,958.75	2,660,42	42,909.99	622.19	
42,909.99		21,677.03	314.32	
21,677.03	1,343.98 1,527.00	24,629.03	357.12	

AL SECURITY SOC WAGES TA	X WITHHELD	& TIPS TAX	WITHHELD	Box 3 - Box 5
45,034.21	2,792.12	45,034.21	653.00	-
22,309.03	1,383.16	22,309.03	323.48	•
23,847.03	1,478.52	23,847.03	345.78	•
32,203.40	1,996.61	32,203.40	466.95	-
· ·	2,977.58	48,025.51	696,37	•
48,025.51	2,711.01	43,725.99	634.03	•
43,725.99	2,980.31	48,069.51	697.01	-
48,069.51		56,877.51	824.72	-
56,877.51	3,526.41	53,972.69	782.60	
53,972.69	3,346.31	65,010.53	942.65	-
65,010.53	4,030.65	52,237,51	757.44	•
52,237.51	3,238.73		326.97	
22,549.54	1,398.07	22,549.54	314.08	
21,660.85	1,342.97	21,660.85		
43,657.51	2,706.77	43,657.51	633.03	
24,202.99	1,500.59	24,202.99	350.94	
21,216.85	1,315.44	21,216.85	307.64	
21,220.29	1,315.66	21,220.29	307.69	
20,700.85	1,283.45	20,700.85	300.16	
47,679.77	2,956.15	47,679.77	691.36	
•	1,283.45	20,700.85	300.16	
20,700.85	1,315.44	21,216.85	307.64	
21,216.85	·	20,989.50	304.35	
20,989.50	1,301.35	21,216.85	307.64	
21,216.85	1,315.44	49,989.75	724.85	
49,989.75	3,099.36		596.67	
41,149.51	2,551.27	41,149.51	318.00	
21,931.03	1,359.72	21,931.03	316.34	
21,816.80	1,352.64	21,816.80	615.63	
42,457.51	2,632.37	42,457.51	529.52	
36,518.42	2,264.14	36,518.42		
52,554.93	3,258.41	52,554.93	762.05	
21,216.85	1,315.44	21,216.85	307.64	
26,414.27	1,637.68	26,414.27	383.01	
36,877,99	2,286.44	36,877.99	534.73	
26,173.70	1,622.77	26,173.70	379.52	
	1,440.64	23,236.18	336.92	
23,236.18	3,012,81	48,593.77	704.61	
48,593.77		41,133.99	596.44	
41,133.99	2,550.31	42,764.75	620.09	
42,764.75	2,651.41	43,162.11	625.85	
43,162.11	2,676.05	41,877.99	607.23	
41,877.99	2,596.44	35,363,36	512.77	
35,363.35	2,192.53	117,130.68	1,698.39	(22,9
94,200.00	5,840.40	117,130.00	1,000.00	•
-	•	- 	614.05	
42,347.95	2,625,57	42,347.95	596.44	
41,133.99	2,550.31	41,133.99		
34,481.46	2,137.85	34,481.46	499.98 -	
42 404 00	2,690.92	43,401.99	629.33	
43,401.99	2,681.87	43,255.99	627.21	
43,255.99	1,418.13	22,873.03	331.66	
22,873.03	3,260.91	52,595.39	762.63	
52,595.39		42,994.03	623.41	
42,994.03	2,665.63	40,707.02	590.25	
40,707.02	2,523.84	43,167,99	625.94	
43,167.99	2,676.42	•	760.81	
52,469.99	3,253.14	52,469.99	307.90	
21,234.71	1,316.55	21,234.71		
41,112.69	2,548.99	41,112.69	596.13	
44,699.99	2,771.40	44,699.99	648.15	
43,355.34	2,688.03	43,355.34	628.65	

	CIAL SECURITY MED  AX WITHHELD	& TIPS TAX V	VITHHELD Bo	x 3 - Box 5
	produktive post in er state og har i bligt state og	40,261.22	583.79	<del> </del>
40,261.22	2,496.20	42,940.00	622.63	
42,940.00	2,662.28	44,747.51	648.84	
44,747.51	2,774.35	40,960.51	593.93	
40,960.51	2,539.55	44,385.63	643.59	
44,385.63	2,751,91	·	328.34	
<b>22,643.8</b> 6	1,403.92	22,643.86	598.20	
41,255.51	2,557.84	41,255.51	2.18	
150.00	9.30	150.00	324.72	
22,394.74	1,388.47	22,394.74	317.55	
21,899.86	1,357.79	21,899.86	328.34	
22,643.86	1,403.92	22,643.86	617.32	
42,573.63	2,639.57	42,573.63	66.71	
4,600.39	285.22	4,600.39	-	
20.461.96	1,392.02	22,451.86	325.55	
22,451.86	1,974.73	31,850.54	461.83	
31,850.54	1,274.78	20,561.03	298.13	
20,561.03	1,463.62	23,606.79	342.30	
23,606.79	2,632.37	42,457.51	615.63	
42,457.51		44,296.85	642.30	
44,296.85	2,746.40	21,492.75	311.64	
21,492.75	1,332.55	23,318.85	338.12	
23,318.85	1,445.77	21,240.85	307.99	
21,240.85	1,316.93	43,376.37	628.96	
43,376.37	2,689.33	22,247.68	322.59	
22,247.68	1,379.36	23,956.61	347.37	
23,956.61	1,485.31	21,893.03	317.45	
21,893.03	1,357.37	43,131.63	625.41	
43,131.63	2,674.16	45,478.12	659.43	
45,478.12	2,819.64	26,083.68	378.21	
26,083.68	1,617.19	21,695.03	314.58	
21,695.03	1,345.09	21,871.03	317.13	
21,871.03	1,356.00	42,868.00	621.59	
42,868.00	2,657.82	43,355.34	628.65	
43,355.34	2,688.03	22,526.78	326.64	
22,526.78	1,396.66	41,169.68	596.96	
41,169.68	2,552.52		632.29	
43,605.99	2,703.57	43,605.99 23,300.79	337.86	
23,300.79	1,444.65	23,300.79		
•	- 	44,769.63	649.16	
44,769.63	2,775.72	224,916.88	3,261.30	(13
88,010.88	5,456.67	40,238.96	583.46	
40,238.96	2,494.82	43,627.93	632.60	
43,627.93	2,704.93	19,625.65	284.57	
19,625.65	1,216.79	44,258.77	641.75	
44,258.77	2,744.04		-	
44,277.63	2,745.21	44,277.63	642.03	
44,277.03	2,788.28	44,972.33	652.10	
12,997.01	805.81	12,997.01	188.46	
12,981.01	-	•	940.63	
44,802.11	2,777.73	44,802.11	649.63	
42,397.98	2,628.67	42,397.96	614.77	
21,443.87	1,329.52	21,443.87	310.94	
39,237.19	2,432.71	39,237.19	568.94	
43,883.14	2,720.75	43,883.14	636.31	
41,287.14	2,559.80	41,287.14	598.66	
	2,588.07	41,743.14	605.28	
41,743.14	2,644.76	42,657.46	618.53	
42,657.46	2,0-1.17	40,255.14	583.70	

CIAL SECURIT	and the second	원이 선택하는 말이 가지 수 있습	EDICARE WAGES & TIPS	MEDICARE TAX WITHHELD	Box 3 - Box 5
WAGES	TAX	WITHHELD		1.00	
44,76	3.22	2,775.63	44,768.22	649.14	
	-	-	ro 040.70	627.12	
43,24	0.70	2,681.48	43,249.70	574.96	
39,65	2.12	2,458.43	39,652.12	the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	
18,06	7.55	1,120.19	18,067.55	261.98	
42,27		2,621.18	42,277.14	613.02	
41.94		2,600.82	41,948.78	608.26	
54,28		3,365.98	54,289.99	787.20	
50,48		3,130.20	50,487.14	732.06	
41,08		2,547.21	41,084.10	595.72	
43,49		2,696.70	43,495.14	630.68	
_		2,559.80	41,287.14	598.66	
41,28		2,588.07	41,743.14	605.28	
41,74			41,218.78	597.67	
41,21		2,555.56	56,223.14		
56,22		3,485.83	40,614.48	TOO 04	
40,61		2,518.10	·		
36,12	6.44	2,239.84	36,126.44	325.55	
	•	<u>-</u>	- 	597.18	
41,18	34.74	2,553.45	41,184.74		•
44,2	23.14	2,741.83	44,223.14		
45,4	27.14	2,816.48	45,427.14	COO 07	
41,2	66.91	2,558.55	41,266.91	040.40	
	23.14	2,648.83	42,723.14		
· ·	15.46	2,449.96	39,515.46	572.97	
	37.14	2,628.00	42,387.14		
	71.14	2,596.01	41,871.14		
· · · · · · · · · · · · · · · · · · ·	_	2,687.97	43,354.33	2 628.64	
	54.32	2,652.55	42,783.14	500.00	
	83.14	·	42,587.1	0.17 F4	
-	87.14	2,640.40	41,743.1		
	43.14	2,588.07	40,387.1		
40,3	87.14	2,504.00	40,361.1	-	
	-		43,327.1	4 628.24	
	27.14	2,686.28	46,235.1	070.14	
46,2	35.14	2,866.58	•		
40,6	23.37	2,518.65	40,623.3		
44,2	07.14	2,740.84	44,207.1	244.54	
42,	75.14	2,614.86	42,175.1	•	
	543.14	2,575.67	41,543.1		
	043.14	2,730.67	44,043.1	757.00	
	227.14	3,238.08	52,227.1	200 00	
	287.14	2,559.80	41,287.1		
	708.78	2,771,94	44,708.		
	156.78	2,551.72	41,156.	78 596.77	
		2,889.50	46,604.		
	604.78	2,567.34	41,408.		
	408.78	·	48,087.	007 00	
	087.14	2,981.40	41,908.		
	908.78	2,598.34	44,791.	040 *7	
	791.14	2,777.05	41,266	* *	
41	265.91	2,558.55	41,∠80.	-	
	-	-	•	_	
	-		വര കുട	14 574.36	
39	611.14	2,455.89	39,611		
45	485.14	2,820.08	45,485		
	465.14	2,942.84	47,465	650.50	
	.970.91	2,602.20	41,970		
	779.55	3,644.33	58,779	.55 852.30	
		2,676.36	43,167	14 625.92	
	.167.14	·	43,825	205 42	}
43	,825.14	2,717. <b>16</b>	40,518		,

SECURITY SOC AGES TA	X WITHHELD	& TIPS TAX	WITHHELD	Box 3 - Box 5
	這名。 <b>有於國際中央的學習</b> 中以中央中國的學科	40,798.61	591.58	
40,798.61	2,529.51	47,547.14	689.43	
47,547.14	2,947.92	47,547.14	626.15	
43,182.64	2,677.32	•	607.36	
41,887.14	2,597.00	41,887.14	645.59	
44,523.14	2,760.43	44,523.14	633.49	
43,689.14	2,708.73	43,689.14		
39,490.80	2,448.43	39,490.80	572.62	
41,215.14	2,555.34	41,215.14	597.62	
41,434.61	2,568.95	41,434.61	600.80	
45,596.78	2,827.00	45,596.78	661.15	
41,797.14	2,591.42	41,797.14	606.06	
49,007.14	3,038.44	49,007.14	710.60	
	2,571.58	41,477.14	601.42	
41,477.14		41,227.14	597.79	
41,227.14	2,556.08	40,268.78	583.90	
40,268.78	2,496.66	40,244.97	583.55	
40,244.97	2,495.19	40,244.71	-	
20,353.35	1,261.91	20,353.35	295.12	
· -		-	590.10	
40,696.32	2,523.17	40,696.32	579.55	
39,968.78	2,478.06	39,968.78	•	
41,287.14	2,559.80	41,287.14	598.66	
40,808.78	2,530.14	40,808.78	591.73	
34,511.14	2,139.69	34,511.14	500.41	
	1,467.96	23,676.70	343.31	
23,676.70	2,688.69	43,365.99	628.81	
43,365.99	2,660.42	42,909.99	622.19	
42,909.99		42,888.93	621.89	
42,888.93	2,659.11	40,736.78	590.68	
40,736.78	2,525.68	58,636.22	850.23	
58,636,22	3,635.45	00,030,ZZ	601.01	
41,448.94	2,569.83	41,448.94	587.45	
40,513.48	2,511.84	40,513.48		
24,105.85	1,494.56.	24,105.85	349,53	
40,255.14	2,495.82	40,255.14	583.70	
41,323.14	2,562.03	41,323.14	599.19	
47,269.24	2,930.69	47,269.24	685.40	
•	2,884.77	46,528.49	674.66	
46,528,49	1,638.75	26,431.53	383.26	
26,431.53	· · · · · · · · · · · · · · · · · · ·	42,909.99	622,19	
42,909.99	2,660.42	41,287.14	598.66	
41,287.14	2,559.80	36,001.99	522.03	
36,001.99	2,232.12	υσ _ι σσ1.55 -	-	
-	2 046 25	47,036.22	682.03	
47,036.22	2,916.25	30,767.67	446,13	
30,767.67	1,907.60		584.27	
40,294.34	2,498.25	40,294.34	598.08	
41,246.68	2,557.29	41,246.68	613.28	
42,295.24	2,622.30	42,295.24	589.04	
40,623.37	2,518.65	40,623.37		
42,909.99	2,660.42	42,909.99	622.19	
21,678.14	1,344.04	21,678.14	314.33	
45,049.44	2,793.07	45,049.44	653.22	
43,026.11	2,667.62	43,026.11	623.88	
	2,510.70	40,495.14	587.18	
40,495.14		24,759.62	359.01	
24,759.62	1,535.10	43,797.99	635.07	
43,797.99	2,715.48	41,258.74	598.22	
41,256.74	2,557.92		574.83	
39,643.14	2,457.87	39,643.14		
•	-	-	631.07	
43,522.01	2,698.36	43,522.01	na 1.0/	

CIAL SECURITY	SOCIAL SECURITY ME TAX WITHHELD	DICARE WAGES M & TIPS TA)	( WITHHELD	Box 3 - Box 5
WAGES		25,095.62	363.89	-
25,095.62	1,555.93	40,164.67	582.39	÷
40,164.67	2,490.21	41,276.97	598.52	-
41,276.97	2,559.17	41,287.14	598.66	- <del>-</del>
41,287.14	2,559.80	42,909.99	622.19	-
42,909.99	2,660.42	42,909.99	622.19	-
42,909.99	2,660.42		628.81	-
43,365.99	2,688.69	43,365.99	895.00	-
61,723.99	<b>3,82</b> 6.89	61,723.99	598.66	-
41,287.14	2,559.80	41,287.14	610.71	•
42,117.99	2,611.32	42,117.99	598.37	-
41,266.91	2,558.55	41,266.91	622.04	
42,899.34	2,659.76	42,899.34	and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second s	_
46,244.72	2,867.17	46,244.72	670.55	-
34,715.33	2,152.35	34,715.33	503.37	
41,779.14	2,590.31	41,779.14	605.80	
36,021.19	2,233.31	36,021.19	522.31	(189,990.2
94,200.00	5,840.40	284,190.25	4,120.75	(103,530.2
39,511.14	2,449.69	39,511.14	572.91	_
,	3,772.64	60,848.99	882.31	
60,848.99	2,777.73	44,802.11	649.63	_
44,802.11	2,639.09	42,565.99	617.21	-
42,565.99	2,420.03	39,032.78	565.98	-
39,032.78		42,909.99	622.19	-
42,909.99	2,660.42	42,909.99	622.19	-
42,909.99	2,660.42	20,715.66	300.38	•
20,715.66	1,284.37	39,994.68	579.92	-
39,994.68	2,479.67	40,470.54	586.82	-
40,470.54	2,509.17	41,287.14	598.66	•
41,287.14	2,559.80		364.76	-
25,155.62	1,559.65	25,155.62	288.17	-
19,873.50	1,232.16	19,873.50	336.87	•
23,232.70	1,440.43	23,232.70	629.33	
43,401.99	2,690.92	43,401.99	600.33	-
41,402.07	2,566.93	41,402.07	583,70	
40,255.14	2,495.82	40,255.14		
30,511.82	1,891.73	30,511.82	442.42	
42,909.99	2,660.42	42,909.99	622.19	
46,660.61	2,892.96	46,660.61	676.58	
40,736.78	0.505.00	40,736.78	590.68	
41,192.78	0 ==0 0=	41,192.78	597.30	
40,994.65	2 5 4 4 .07	40,994.68	594.42	
	0.505.40	40,894.95	592.98	
40,894.95	* 505.00	40,736.78	590.68	
40,736.78		41,856.69	606.92	
41,856.69	2,000.11	· -	-	
42,835.9	2,655.83	42,835.99	621.12	
42,000.00	•	-	456.69	
31,496.1	1,952.76	31,496.17		
31,820.1	4.070.00	31,820.17	461.39	
43,063.6	0.000.05	43,063.69	624.42	
43,003.0 37,975.8	0.054.50	37,975.87	550.65	
		38,512.60	558.43	
38,512.6	0.400.04	38,758.78	562.00	
38,758.7	~	40,297.31	584.31	
40,297.3		39,392.60	571.19	
39,392.6	* 400.00	39,812.60	577.28	
39,812.0	5 445 34	39,392,60	571.19	
39,392.6		19,704.92	285.72	
19,704.9	1,221.71	41,152.61	596.71	
41,152.0	2,551.46	38,075.00	552.09	
38,075.0	on 2,360.65	30,013.00		

WAGES	SOCIAL SEGURITY W	REDICARE WAGES M	( WITHHELD	Box 3 - Box 5
1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975 - 1975	2,434.28	39,262.60	569.31	
39,262.60	2,492.20	40,196.82	582.85	
40,196.82	2,475.09	39,920.82	578.85	
39,920.82	• .	39,353.58	570.63	
39,353.58	2,439.92	40,234.78	583.40	
40,234.78	2,494.56	39,896.82	578.50	
39,896.82	2,473.60	39,661.80	575.10	
39,661.80	2,459.03		584.59	
40,316.82	2,499.64	40,316.82	577.28	
39,812.60	2,468.38	39,812.60	429.83	
29,643.70	1,837.91	29,643.70	588.89	
40,612.82	2,517.99	40,612.82	546.83	
37,712.60	2,338.18	37,712.60	577.52	
39,829.09	2,469,40	39,829.09	584.59	
40,316.82	2,499.64	40,316.82		
39,392.60	2,442.34	39,392.60	571.19 501.35	
40,782.82	2,528.53	40,782.82	591.35	
44,412.60		44,412.60	643.98	
39,356.60	2,440.11	39,356.60	570.67	
39,848.60		39,848.60	577.80	
39,962.60	2,477.68	39,962.60	579.46	
38,896.82		38,896.82	564.00	
40,473.09		40,473.09	586.86	
40,703.46		40,703.46	590.20	
39,851.00		39,851.00	577.84	
38,456.60		38,456.60	557.62	•
40,184.60		40,184.60	582.68	
39,356.60		39,356.60	570.67	
39,663.60		39,663.60	575.12	
38,324.60		38,324.60	555.71	
40,316.82		40,316.82	584.59	
		39,423.58	571.64	
39,423.58		41,137.18	596.49	
41,137.18	A	39,860.82	577.98	
39,860.82		39,340.60	570.44	
39,340.60		39,990.82	579.87	
39,990.82		38,272.60	554.95	
38,272.60	·	39,382.78	571.05	
39,382.7	0.4.0.50	39,476.82	572.41	
39,476.83		40,996.82	594.45	
40,996.8		39,862.11	578.00	
39,862.1	5 5 15 5 5	47,481.52	688,48	
47,481.5		40,748.82	590.86	
40,748.8		38,828.61	563.01	
38,828.6		40,028.60	580.41	
40,028.6	- 1-4 00	39,860.82	577.98	
39,860.8			579.43	
39,960.8		39,960.82	556.12	
38,352.9		38,352. <b>97</b>	570.67	
39,356.6		39,356.60	578.50	
39,896.8		39,896.82	577.14	
39,802.7		39,802.78	546.72	
37,704.6		37,704.60		
40,280.8		40,280.82	584.07	
39,848.6	30 2,470.61	39,848.60	577.80 570.10	
39,317.5		39,317.58	570.10	
20,016.9		20,016.97	290.25	
30,188.2		30,188.20	437.73	
39,356.		39,356. <b>60</b>	570.67	
39,821,	- 100.05	39,821.80	577.42	
39,896.		39,896.82	578.50	

CIAL SECURITY WAGES	TAX WITHHELD	& TIPS	TAX WITHHELD	Box 3 - Box 5
17 H. Margar, 1972 at 15 H	2,477.32	39,956.82	579.37	-
39,956.82	2,435.33	39,279.58	569.55	•
39,279.58	2,435.33 2,475.09	39,920.82	578.85	-
39,920.82		37,944.56	550.20	•
37,944.56	2,352.56	37,634.56	545.70	•
37,634.56	2,333.34	39,848.60	577.80	•
39,848.60	2,470.61	41,170.82	596.98	
41,170.82	2,552.59	•	558.20	
38,496.66	2,386.79	38,496.66	286.77	
19,776.92	1,226.17	19,776.92	568.23	
39,188.12	2,429.66	39,188.12	582.59	
40,178.94	2,491.09	40,178.94	578.16	
39,872.82	2,472.11	39,872.82		
20,226.97	1,254.07	20,226.97	293.29	
19,998.97	1,239.94	19,998.97	289.99	
10,000.01	<u> -</u>	•	•	
41,564.14	2,576.98	41,564.14	602.68	
38,066.78	2,360.14	38,066.78	551.97	
	2,440.11	39,356.60	570.67	
39,356.60	2,483.01	40,048.50	580.70	
40,048.50	2,706.67	43,655.89	633.01	
43,655.89	2,521.38	40,667.46	589.68	
40,667.46	2,566.60	41,396.82	600.25	
41,396,82	•	41,562.99	602.66	
41,562.99	2,576.91	39,476,82	572.41	
39,476.82	2,447.56	40,205.58	582.98	
40,205.58	2,492.75	39,909.96	578.69	
39,909.96	2,474.42	39,803.00	- · +	
•		8,997.30	130.46	
8,997.30	557.83		579,15	
39,941.58	2,476.38	39,941.58	589.73	
40,670.78	2,521.59	40,670.78	549.26	
37,880.28	2,348.58	37,880.28	593.13	
40,905.42	2,536,14	40,905.42	593.13 577.42	
39,821.80	2,468.95	39,821.80		
40,216.32	2,493.41	40,216.32	583.14	
39,896.87	2,473.61	39,896.87	578.50	
40,996.82	2,541.80	40,996.82	594,45	
40,316.82	2,499.64	40,316.82	584.59	
19,998.97	1,239.94	19,998.97	289.99	
	0.500.00	40,473.96	586.87	
40,473.96	0.470.00	39,981.96	579.74	
39,981.96	·	39,896.82	578.50	
39,896.82	0.405.50	39,122.34	567.27	
39,122.34		39,812.60	577.28	
39,812.60	0.405.47	40,244.60	583.55	
40,244.60		20,004.92	290.07	
20,004.92	0.000.04	40,385.58	585.59	
40,385.58	4.050.00	20,262.97	293.81	
20,262.97	0.470.00	39,896.82	578.50	
39,896.82		47,682.53	691.40	
47,682.53		. ,	604.71	
41,704.14	2,585.66	41,704.14	204.50	
41,693.97	0.505.00	41,693.97	60440	
41,668.14		41,668.14	400.00	
13,054.0		13,054.09		
40,707.9		40,707.92	590.26	
40,707.3	- •	-	500:0	
20,442.9	7 1,267.46	20,442.97		
	0.000.00	33,236.82		
33,236.8	200 00	14,246.08	000 57	
14,246.0	გ იია.გა	18,622.3		

SECURITY SOCI GES TAX	( WITHHELD	& TIPS TAX	WITHHELD	Box 3 - Box
	2,501.87	40,352.82	585.12	
40,352.82	2,516.45	40,587.92	588.52	
40,587.92	2,010.40		-	
40 E05 10	2,516.90	40,595.10	588,63	
40,595.10	2,510.80		· <del>-</del>	
24 630 63	1,527.66	24,639.62	357.27	
24,639.62	2,747.84	44,319.92	642.64	
44,319.92	2,555.50	41,217.74	597.66	
41,217.74	2,441.27	39,375.34	570.94	
39,375.34 40,888.22	2,535.07	40,888.22	592.88	
	2,722.85	43,916.89	636.79	
43,916.89	2,555.15	41,212.14	597.58	
41,212.14	2,618.63	42,235.93	612.42	
42,235.93	2,018.00		-	
•		-	-	
A4 A04 90	2,568.15	41,421.82	600.62	
41,421.82	1,174.83	18,948.92	274.76	
18,948.92	2,476.11	39,937.20	579.09	
39,937.20	2,509.41	40,474.43	586.88	
40,474.43		40,756.60	590.97	
40,756.60	2,526.91	42,460.22	615.67	
42,460.22	2,632.53	40,051.80	580.75	
40,051.80	2,483.21	12,508.26	181.37	
12,508.26	775.51	36,485.71	529.04	
36,485.71	2,262.11	43,160.55	625.83	
43,160.55	2,675.95	40,244.60	583.55	
40,244.60	2,495.17	23,104.74	335.02	
23,104.74	1,432.49		350.74	
24,188.79	1,499.70	24,188.79	443.18	
30,564.32	1,894.99	30,564.32	343.96	
23,721.27	1,470.72	23,721.27	734.80	
50,676.00	3,141.91	50,676.00	625.54	
43,140.61	2,674.72	43,140.61	591.31	
40,779.92	2,528.36	40,779.92	640.14	
44,147.89	2,737.17	44,147:89	577.98	
39,860.82	2,471.37	39,860.82	680.30	
46,917.26	2,908.87	46,917.26	325.74	
22,464.70	1,392.81	22,464.70	603.14	
41,595.92	2,578.95	41,595.92	668.37	
46,094.40	2,857.85	46,094.40	702.33	
48,436.49	3,003.06	48,436.49	596.99	
41,171.68	2,552.64	41,171.68	577.80	
39,848.60	2,470.61	39,848.60	289.99	
19,998.97	1,239.94	19,998.97	571.19	
39,392.60	2,442.34	39,392.60 27,433,16	542.78	
37,433.16	2,320.86	37,433.16 42.739.55	619.71	
42,738.55	2,649.79	42,738.55	577.28	
39,812.60	2,468.38	39,812.60 39,745.13	561.80	
38,745.12	2,402.20	38,745.12 40,472.60	582.50	
40,172.60	2,490.70	40,172.60	579.60	
39,972.66	2,478.30	39,972.66	571.19	
39,392.60	2,442.34	39.392.60	J/ 1,10	
13,050.80	•	13,050.80	189.58	
13,074.80	810.64	13,074.80	584.01	
40,276.82	2,497.16	40,276.82		
13,390.56	•	13,390.56	4 04E 23	
70,016.00	4,340.99	70,016.00	1,015.23	
69,602.10	4,315.33	69,602.10	1,009.23	
9,635.00	597.37	9,635.00	139.71	
32,868.82	2,037.87	32,868.82	476.60	

SECURITY SO IGES T	АХ WITHHELD	& TIPS TAX	WITHHELD	Box 3 - Box 5
45,859.77	2,843.31	45,859.77	664,97	
12,613.44	•	12,613.44	-	
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-	-	-	_	
-	-	- 19,200.36	278.41	
19,200.36	1,190.42	9,310.41	135.00	
9,310.41	577.25	18,491.48	268.13	
18,491.48	1,146.48	20,222.46	293.23	
20,222.46	1,253.79		284.79	
19,640.94	1,217.74	19,640.94 19,375.77	280.95	
19,375.77	1,201.30	12,152.62	176.21	
12,152.62	753.46	20,038.92	290.56	
20,038.92	1,242.41	19,480.58	282.47	
19,480.58	1,207.80	34,201.51	495.92	
34,201.51	2,120,49	20,206.92	293.00	
20,206.92	1,252.83	22,320.17	323.64	
22,320.17	1,383.85	20,224.92	293.26	
20,224.92	1,253.95	19,942.92	289.17	
19,942.92	1,236.46	18,771.18	272.18	
18,771.18	1,163.81	22,296.53	323.30	
22,296.53	1,382.38	1,520.00	22.04	
1,520.00	94.24	18,271.19	264.93	
18,271.19	1,132.81	20,043.42	290.63	
20,043.42	1,242.69	18,885.52	273.84	
18,885.52	1,170.90	19,568.36	283.74	
19,568.36	1,213.24	20,388.00	295.63	
20,388.00	1,264.0 <del>6</del> 1,212.65	19,558.92	283.60	
19,558.92	1,206.58	19,460.94	282.18	
19,460.94	1,236.46	19,942.92	289.17	
19,942.92	1,250.60	20,170.92	292.48	
20,170.92	1,236.46	19,942.92	289.17	
19,942.92 17,867.40	1,107.78	17,867.40	259.08	
19,160.94	1,187.98	19,160.94	277.83	
20,038.92	1,242.41	20,038.92	290.56	
19,388.94	1,202.11	19,388.94	281.14	
19,933.14	1,235.85	19,933.14	289.03	
20,206.92	1,252.83	20,206.92	293.00	
20,170.92	1,250.60	20,170.92	292.48	
19,364.60	1,200.61	19,364.60	280.79	
20,422.92	1,266.22	20,422.92	296.13	
20,015.92	1,240.99	20,015.92	290.23	
19,205.16	1,190.72	19,205.16	278.47	
19,824.68	1,229.13	19,824.68	287.46	
19,960.92	1,237.58	19,960.92	289.43	
,	1,178.70	19,011.30	275.66	
19,011.30	1,176.10	18,969.36	275.06	
18,969.36	1,238.64	19,978.00	289.68	

IAL SECURITY S	SOCIAL SECURITY MED TAX WITHHELD	& TIPS TA	WITHHELD	Box 3 - Box 5
19,640.94	1,217.74	19,640.94	284,79	
18,637.36	1,155.52	18,637.36	270.24	
19,942.92	1,236.46	19,942.92	289.17	
·	1,231.36	19,860.68	287.98	
19,860.68	1,238.69	19,978.92	289.69	
19,978.92	1,219.49	19,669.14	285.20	
19,669.14	1,391.62	22,445.42	325.46	
22,445.42	1,190.21	19,196.94	278.36	
19,196.94	1,255.06	20,242.92	293.52	
20,242.92		20,257.92	293.74	
20,257.92	1,255.99	20,188.92	292.74	
20,188.92	1,251.71	18,745.36	271.81	
18,745.36	1,162.21	19,621.38	284.51	
19,621.38	1,216.53	19,938.00	289.10	
19,938.00	1,236.16	17,549.08	254.46	
17,549.08	1,088.04	18,185.48	263.69	
18,185.48	1,127.50	19,392.24	281.19	
19,392.24	1,202.32	13,613.31	197.39	
13,613.31	844.03	19,933.14	289.03	
19,933.14	1,235.85	24,689.95	358.00	
24,689.95	1,530.78	20,170.92	292.48	
20,170.92	1,250.60	19,978.92	289.69	
19,978.92	1,238.69	20,914.28	303.26	
20,914.28	1,296.69	20,206.92	293.00	
20,206.92	1,252.83	·	292.24	
20,154.68	1,249.59	20,154.68	285.93	
19,719.06	1,222.58	19,719.06	293.00	
20,206.92	1,252.83	20,206.92	289.17	
19,942.92	1,236.46	19,942.92	275.78	
19,019.42	1,179.20	19,019.42	289.96	
19,996.92	1,239.81	19,996.92	292.62	
20,180.46	1,251.19	20,180.46	282.53	
19,485.06	1,208.07	19,485.06	303.16	
20,907.72	1,296.28	20,907.72	265.48	
18,308.94	1,135.15	18,308.94	283.62	
19,560.12	1,212.73	19,560,12	289.17	
19,942.92	1,236.46	19,942.92	253.47	
17,480.94	1,083.82	17,480.94	294.42	
20,304.68	1,258.89	20,304.68	289.43	
19,960.92	1,237.58	19,960.92	288.24	
19,878.68	1,232.48	19,878.68	290.22	
20,014.92	1,240.93	20,014.92	265.57	
18,315.48	1,135.55	18,315.48	289.69	
19,978.92	1,238.69	19,978.92	217.89	
15,026.92	931.67	15,026.92	160.25	
11,051.84	685.21	11,051.84	314.73	
21,705.72	1,345.75	21,705.72	279.54	
19,278.68	1,195.28	19,278.68	290.52	
20,036.15	1,242.24	20,036.15	544.01	
37,517.76	2,326.10	37,517.76 10,877.00	288.23	
19,877.90	1,232.43	19,877.90	275,10	
18,972.68	1,176.31	18,972.68	282.40	
19,475.94	1,207.51	19,475.94	290.62	
20,042.60	1,242.64	20,042.60	281.26	
19,396.92	1,202.61	19,396.92	309.52	
21,346.42	1,323.48	21,346,42	281.09	
19,385.52	1,201.90	19,385.52		
20,206.92	1,252.83	20,206.92	293.00 277.83	
	1,187.98	19,160.94	/// 03	

19,982.92 19,475.94 19,855.64 20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40 20,088.68	1,238.94 1,207.51 1,231.05 1,248.74 922.43 1,177.31 1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58 1,203.43	19,982.92 19,475.94 19,855.64 20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00	289.75 282.40 287.91 292.04 215.73 275.34 255.23 292.71 289.17 292.48 282.16 279.39	-
19,475.94 19,855.64 20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,207.51 1,231.05 1,248.74 922.43 1,177.31 1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	19,475.94 19,855.64 20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	282.40 287.91 292.04 215.73 275.34 255.23 292.71 289.17 292.48 282.16 279.39	-
19,855.64 20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,231.05 1,248.74 922.43 1,177.31 1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	19,855.64 20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	287.91 292.04 215.73 275.34 255.23 292.71 289.17 292.48 282.16 279.39	-
20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,248.74 922.43 1,177.31 1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	20,140.92 14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	292.04 215.73 275.34 255.23 292.71 289.17 292.48 282.16 279.39	- - - - - -
14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	922.43 1,177.31 1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	14,877.94 18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	215.73 275.34 255.23 292.71 289.17 292.48 282.16 279.39	- - - - - -
18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,177.31 1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	18,988.92 17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	275.34 255.23 292.71 289.17 292.48 282.16 279.39	- - - - -
17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,091.31 1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	17,601.82 20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	255.23 292.71 289.17 292.48 282.16 279.39	
20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,251.59 1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	20,187.00 19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	292.71 289.17 292.48 282.16 279.39	- - -
19,942.92 20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,236.46 1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	19,942.92 20,170.92 19,459.44 19,268.34 21,903.72	289.17 292.48 282.16 279.39	- - -
20,170.92 19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,250.60 1,206.49 1,194.64 1,358.03 662.16 1,237.58	20,170.92 19,459.44 19,268.34 21,903.72	292.48 282.16 279.39	-
19,459.44 19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,206.49 1,194.64 1,358.03 662.16 1,237.58	19,459.44 19,268.34 21,903.72	282.16 279,39	
19,268.34 21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,194.64 1,358.03 662.16 1,237.58	19,268.34 21,903.72	279.39	
21,903.72 10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,358.03 662.16 1,237.58	21,903.72		
10,680.00 19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	662.16 1,237.58		317.60	
19,960.92 19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,237.58	10 K80 GO		
19,410.24 19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	•		154.86	
19,665.30 19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,203.43	19,960.92	289.43	
19,926.06 21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40		19,410.24	281.45	
21,473.72 27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,219.25	19,665.30	285.15	
27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,235.42	19,926.06	288.93	
27,943.54 18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,331.37	21,473.72	311.37	
18,308.94 19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,732.50	27,943.54	405.18	
19,978.92 20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,135.15	18,308.94	265.48	
20,048.92 19,196.94 20,422.92 21,459.72 23,333.40	1,238.69	19,978.92	289.69	
19,196.94 20,422.92 21,459.72 23,333.40	1,243.03	20,048.92	290.71	
20,422.92 21,459.72 23,333.40	1,190.21	19,196.94	278.36	
21,459.72 23,333.40	1,266.22	20,422.92	296.13	
23,333,40	1,330.50	21,459.72	311.17	
	1,446.67	23,333.40	338.33	
	1,245.50	20,088.68	291.29	
20,206.92	1,252.83	20,206.92	293.00	
19,302.28	1,196.74	19,302.28	279.88	
19,942.92	1,236.46	19,942.92	289.17	
20,191.92	1,251.90	20,191.92	292.78	
•	1,263.99	20,386.92	295.61	
20,386.92 18,319.48	1,135.80	18,319.48	265.63	
	482.78	7,786.70	112.91	
7,786.70	1,905.77	30,738.28	445.71	
30,738.28	1,237.67	19,962.42	289.46	
19,962.42	1,237.58	19,960.92	289.43	
19,960.92	1,206.05	19,452.36	282.06	
19,452.36	1,251.34	20,182.92	292.65	
20,182.92	1,237.58	19,960.92	289.43	
19,960.92	1,236.31	19,940.46	289.14	
19,940.46	1,236.46	19,942.92	289.17	
19,942.92		42,521.93	616.57	
42,521.93	2,636.36 675.55	10,896.00	157.99	
10,896.00		20,242.92	293.52	
20,242.92	1,255.06	20,002.92	290.04	
20,002.92	1,240.18	19,996.92	289.96	
19,996.92	1,239.81	20,304.68	294.42	
20,304.68	1,258.89	22,626.17	328.08	
22,626.17	1,402.82	20,709.96	300.29	
20,709.96	1,284.02	20,709.90 18,870.68	273.62	
18,870.68	1,169.98		288.46	
19,893.75	1,233.41	19,893.75	289.88	
19,992.00	1,239.50	19,992.00	77.24	
5,326.94	ለበለ ሳን	5,326.94		
18,156.46	330.27	10 168 //6		
19,232.94	330.27 1,125.70	18,156.46	263.27	
19,974.00		19,232.94 19,974.00	263.27 278.88 289.62	

化拉马特勒 经运动分别 医动脉冲流	NAL SECURITY M X WITHHELD	& TIPS	TAX WITHHELD	Box 3 - Box 5
20,070.68	1,244.38	20,070.68	291.02	
19,396.65	1,202.59	19,396.65	281.25	
18,738.28	1,161.77	18,738.28	271.71	
19,415.16	1,203.74	19,415.16	281.52	
19,514.36	1,209.89	19,514.36	282.96	
20,188.92	1,251.71	20,188.92	292.74	
21,705.72	1,345.75	21,705.72	314.73	
19.981.92	1,238.88	19,981.92	289.74	
20,168.46	1,250,44	20,168.46	292.44	
19,942.92	1,236.46	19,942.92	289.17	
19,836.24	1,229.85	19,836.24	287.63	
20,304.68	1,258.89	20,304.68	294.42	
20,951.72	1,299.01	20,951.72	303.80	
19,863.36	1,231.53	19,863.36	288.02	
19,527.42	1,210.70	19,527.42	283.15	
22,754.65	1,410.79	22,754.65	329.94	
19.836.24	1,229.85	19,836.24	287.63	
21,493.56	1,332.60	21,493.56	311.66	
22,828.94	1,415.39	22,828.94	331.02	
20,876.64	1,294.35	20,876.64	302.71	
19,942.92	1,236.46	19,942.92	289.17	
20,637.72	1,279.54	20,637.72	299.25	
19,388.94	1,202.11	19,388.94	281.14	
19,960.92	1,237.58	19,960.92	289.43	
19,160.94	1,187.98	19,160.94	277.83	
21,705.73	1,345.76	21,705.73	314.73	

	26,994,136.91	1,669,232.06	27,457,481.07		Total for all Residents with FICA wages
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		(71,035.60)		(Less: Residents that filed their own claim) (Less: Residents with no FICA W/II)
 }	26,923,101.31	S 1,669,232.06	\$ 27,386,445.47	\$ 397,103.15	Net FICA Claim Amount
Socia	Security Box 3  Quarter  1st  2nd  3rd  4th	Wages per 2006 941s 115,671,441.20 128,194,414.77 106,097,998.95 122,714,959.83 472,678,814.75	1/4 of Box 3 total above 6,730,775.33 6,730,775.33 6,730,775.33 6,730,775.33 26,923,101.31	99,367,223.62 115,984,184.50	834,616.1 834,616.1 834,616.1 3,338,464.1
Med	icare Box 5  Quarter  lst  2nd	Wages per 2006 941s 121,015,858.76 140,486,083.41			9 198,551

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WAGES	TAX WITHHELD	& TIPS	TAX WITHHELD	Box 3 - Box 5
3rd	124,238,206.17	6,846,611.37	117,391,594.80	198,551.
4th	148,034,540.86	6,846,611.37	141,187,929.49	198,551
	533,774,689.20	27,386,445.47	506,388,243.73	794,206
	333,174,003.20		Rounding Difference	(0
			Use	794,206